

Registered No. 04227208

Sidel (UK) Limited

Report and Financial Statements

31 December 2020

Confidential

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COMPANIES HOUSE

Sidel (UK) Limited
Registered No. 04227208

Directors

F Lejard
L Leon
V Jung

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire LU1 3LU

Bankers

HSBC
2nd Floor
62-76 Park St
London SE1 9WP

Solicitors

Freeths LLP
Cumberland Court
80 Mount Street
Nottingham NG1 6HH

Registered Office

3 Silver Court
Watchmead
Welwyn Garden City
Hertfordshire AL7 1LT

Directors' report

The directors present their report and financial statements for the year ended 31 December 2020.

Directors

The directors who served the company during the year were as follows:

F Lejard
L Leon
V Jung

Dividends

The retained profit for the year was £146,000 (2019 - £24,000). The directors recommend the distribution of a dividend of £100,000 (10.6 pence per ordinary share) to be paid by end of October 2021 (2019 - nil).

Principal activities

The principal activity of the company is the supply of sales services to the UK and Ireland Beverage, Food and Home Personal Care Industry.

The turnover of the company is only Field Services and Sales Remuneration Support.

Financial instruments

The Company finances its activities with its own cash. Short term borrowings with the Group or overdrafts are used to satisfy short term cash flow requirements.

Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities.

The Company also enters into derivatives transactions to manage the currency risk arising from the Company's operations.

The company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates (mainly euros) by fixing the rate of any material/services payment done or received.

Going concern

The company, and specifically the group to which it belongs, have considerable financial resources together with established products and customer base.

After a tough year with several projects frozen with no clear visibility if simply delayed or cancelled, we saw the restart of projects postponed.

This trend has already been confirmed in the first semester of 2021 by securing some significant new projects that will enhance the activity of our office also in terms of after sales activity for the coming years. This will also imply the recruitment of some new employees in response to increased sales activity.

Directors' report (continued)

Going concern (continued)

The directors have reviewed the cash flow projections for the period of 12 months from signing the accounts.

The Company has received a letter of continued support from the company's ultimate parent undertaking, Tetra Laval International SA. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

As a result, the directors are satisfied that the company has adequate resources to continue operating as a going concern for a period of 12 months from the date of this report.

Therefore, the financial statements are prepared on a going concern basis.

Disclosure of information to the auditors

The directors who were members of the board at the date of approving the Directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Small Company Provisions

This report has been prepared in accordance with the special provision for small companies under section 415A of the Companies Act 2006.

On behalf of the board



L. Leon
Director



V. Jung
Director

Date: 01/10/2021

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditor's report

to the members of Sidel (UK) Limited

Opinion

We have audited the financial statements of Sidel (UK) Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement and Other Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditor's report

to the members of Sidel (UK) Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditor's report

to the members of Sidel (UK) Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 101, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and General Data Protection Regulation (GDPR).
- We understood how the company is complying with those frameworks by making enquiries with management and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by obtaining and reading internal policies, making enquiries of management and those charged with governance.

Independent auditor's report

to the members of Sidel (UK) Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
 - We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where they considered there was susceptibility to fraud. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with all applicable reporting requirements.
 - We read minutes of meetings of those charged with governance, where available.
 - We read financial statements disclosures and tested them to supporting documentation to assess compliance with applicable laws and regulations.
 - We audited the risk of management override of controls, including through testing journals entries and other adjustments for appropriateness. We also audited the risk of improper revenue recognition in relation to timing of service sales.
 - We evaluated the business rationale of significant transactions outside the normal course of business; and
 - We challenged judgements made by management. This included corroborating the inputs and considering contradictory evidence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

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Farzin Radfar (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date - October 6, 2021

Income statement and other comprehensive income

for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
Sales		1,980	2,547
Sales support remuneration		984	1,156
Turnover	3	2,964	3,703
Cost of sales		(1,369)	(1,920)
Gross Profit		1,595	1,783
Distribution costs		(998)	(1,078)
Administrative expenses		(413)	(660)
Operating profit	4	184	45
Interest (payable) / receivable	6	(2)	(3)
Profit on ordinary activities before taxation		182	42
Tax expense on ordinary activities	7	(36)	(18)
Profit for the financial year		146	24
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		146	24

Statement of changes in equity

for the year ended 31 December 2020

	Share Capital	Retained earnings	Total Equity
	£000	£000	£000
At 1 January 2019	948	90	1,038
Profit for the financial year	-	24	24
Other comprehensive income	-	-	-
Equity dividends paid	-	(87)	(87)
At 31 December 2019	948	27	975
Profit for the financial year	-	146	146
Other comprehensive income	-	-	-
Equity dividends paid	-	-	-
At 31 December 2020	948	173	1,121

Balance sheet
at 31 December 2020

	Notes	2020 £000	2019 £000
Non-current assets			
<i>Fixed assets</i>			
Intangible assets	8	-	-
Tangible assets	9	352	450
		352	450
Deferred tax asset	7	6	6
Net non-current assets		358	456
<i>Current assets</i>			
Stocks	10	17	-
Debtors	11	1,038	1,382
Corporation tax		71	30
Deferred tax asset	7	2	2
Cash at bank and in hand	12	493	180
		1,621	1,594
<i>Current liabilities</i>			
Short Term lease liabilities	14	(123)	(132)
Creditors	13	(495)	(662)
Corporation tax		(57)	(20)
		(675)	(814)
Net Current assets		946	780
Total assets less current liabilities		1,304	1,236

Balance sheet (continued)
at 31 December 2020

		2020	2019
		£000	£000
<i>Non current liabilities</i>			
Long term lease liabilities	14	(183)	(261)
		<u>(183)</u>	<u>(261)</u>
Total net assets		1,121	975
<i>Capital and reserves</i>			
Share Capital	15	948	948
Retained earnings		<u>173</u>	<u>27</u>
Shareholders' funds		1,121	975

The financial statements were approved by the board of Directors on 1 October 2021 and signed on its behalf by:



L. Leon
Director



V. Jung
Director

Date: 01/10/2021

Notes to the financial statements

for the year ended 31 December 2020

1. Authorisation of financial statements and statement of compliance with FRS101

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The company has taken advantage of the exemptions related to Small Entities as defined in the Companies Act 2006.

The principal accounting policies adopted by the Company are set out in note 2.

The company is domiciled and incorporated in the UK.

2. Accounting policies

2.1 Basis of preparation

The Company has taken advantage of the following disclosure exemptions under FRS101:

- The requirements of IFRS 7 *Financial instruments: Disclosures*
- The requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- The requirements of IAS 7 *Statement of Cash flows*
- The requirements of paragraph 17 of IAS 24 *Related Party Disclosures*; and
- The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2.2 Significant accounting policies

Foreign currency translation

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the daily spot rate of the posting date. Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary assets that are measured in terms of historical costs in a foreign currency are translated using the spot rate at the date when the fair value was determined.

Intangible assets

Computer software is carried at cost less accumulated amortisation. Externally acquired computer software is capitalised and amortised on a straight-line basis over its useful economic life of 4 years.

Notes to the financial statements

for the year ended 31 December 2020

2. Accounting policies (continued)

2.2 Significant accounting policies (continued)

Tangible assets

Tangible fixed assets are recorded at cost, net of accumulated depreciation, where cost is the amount of cash or cash equivalents paid to acquire an asset at the time of its acquisition.

Depreciation is provided on all tangible fixed assets, on a straight-line basis over its expected useful life as follows:

Building and Leasehold improvement	–	5 years (duration of the lease agreement)
Office equipment	–	over 3 to 10 years

Leases

Application of IFRS16 requiring lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Sidel UK leases office and vehicles under non-cancellable agreements most of which expire at various dates through to 2024. The right of use assets are included within tangible assets and their depreciation is on a straight-line basis over the duration of the contract :

Building	–	5 years
Vehicle Fleet	–	3 years

Stocks

Stocks comprise costs incurred at the date of closing which relate to interventions started but not yet finalised, at the lower of cost and net realisable value.

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are non-interests bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest method, less provision for impairment.

The expected credit losses on trade receivables have been grouped based on shared risk categorisation (overdue or outstanding) and the days past due.

Cash at bank and in hand

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Notes to the financial statements

for the year ended 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

Derivative financial instruments and hedging

The Company uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency for trading purpose. Derivative financial instruments are recognised and stated at fair value at the date of the reporting. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of derivatives are recorded in the income statement.

Trade payables

Trade payables are non-interests bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest method.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statement, with the following exception:

- Deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.
- Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

for the year ended 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

Pensions

A defined contribution plan is available to all employees. Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Revenue recognition

Revenue comprises the fair value of consideration received for the sales of goods and service, Revenue is recorded net of discounts/ offers and value added taxes.

Revenue from the provision of services is recognised when the service is provided and the revenue can be measured reliably, based on the terms of the contract. Services provided to third parties covered mainly overhauls activities, breakdown interventions, installations and do not exceed several weeks.

Revenue from sales remuneration support scheme is recognised when costs related to sales force covering UK and Ireland for equipment and services, incurred.

2.4 Going Concern

The company, and specifically the group to which it belongs, have considerable financial resources together with established products and customer base.

After a tough year with several projects frozen with no clear visibility if simply delayed or cancelled, we saw the restart of projects postponed.

This trend has already been confirmed in the first semester of 2021 by securing some significant new projects that will enhance the activity of our office also in terms of after sales activity for the coming years. This will also imply the recruitment of some new employees in response to increased sales activity.

The directors have reviewed the cash flow projections for the period of 12 months from signing the accounts.

The Company has received a letter of continued support from the company's ultimate parent undertaking, Tetra Laval International SA. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

As a result, the directors are satisfied that the company has adequate resources to continue operating as a going concern for a period of 12 months from the date of this report.

Therefore, the financial statements are prepared on a going concern basis.

Notes to the financial statements

for the year ended 31 December 2020

3. Turnover

Turnover by class of business

	2020 £000	2019 £000
Services	1,980	2,547
Sales	1,980	2,547
Sales remuneration support	984	1,156
Total Turnover	2,964	3,703

Turnover by geographical area

	2020 £000	2019 £000
United Kingdom	1,673	2,067
Europe	1,291	1,636
Total Turnover	2,964	3,703

4. Operating profit

This is stated after charging:

		2020 £000	2019 £000
Depreciation of tangible assets	- fixed assets	15	24
	- right of use assets	140	129
Auditors' remuneration for	- audit services	21	19
	- taxation services	9	9
Operating leases		2	1
Loss on foreign exchange		11	24

Notes to the financial statements

for the year ended 31 December 2020

5. Staff costs and directors' remuneration

Staff costs

The average monthly number of employees during the year was 17 (2019 – 18).

	2020 £000	2019 £000
Wages and salaries	995	1,081
Social security costs	154	152
Pension costs	102	100
Life insurance & Medical Insurance	36	30
Other employees' costs	19	26
	<u>1,306</u>	<u>1,389</u>

Directors' remuneration

	2020 £000	2019 £000
Directors' remuneration	<u>82</u>	<u>80</u>
	<u>82</u>	<u>80</u>
Defined contribution to pension scheme	<u>9</u>	<u>9</u>
Number of directors part of the pension scheme	<u>1</u>	<u>1</u>

6. Net interest receivable / (payable)

	2020 £000	2019 £000
Interests receivable / (payable) on inter-company deposit / (loan)	1	-
Interests on Finance leases	<u>(3)</u>	<u>(3)</u>
	<u>(2)</u>	<u>(3)</u>

Notes to the financial statements

for the year ended 31 December 2020

7. Taxation

Tax charged in the income statement

	2020 £000	2019 £000
<i>Current income tax</i>		
UK Corporation tax	40	20
Adjustment in respect of prior year	(4)	-
Total current income tax	36	20
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-	(2)
Tax expense in the income statement	36	18

Reconciliation of the total tax charge

	2020 £000	2019 £000
Profit on ordinary activities before taxation	182	42
Tax calculated at UK standard rate of corporation tax of 19.00% (2019-19.00%)	35	8
Expenses not deductible for tax purposes	5	10
Adjustment in respect of prior year	(4)	-
Total tax expense reported in the income statement	36	18

The main rate of corporation tax in the UK is 19%. There is a deferred tax rate change impact in these statutory accounts, reflecting the reversal in Finance Act 2020 of the planned rate reduction from 19% to 17%. Finance Bill 2021, published on 11 March 2021, includes an increase to the main rate of corporation tax to 25% from 1 April 2023. Deferred tax is reflected at the current rate of 19% in these accounts since this change was not substantively enacted by the balance sheet date.

Notes to the financial statements

for the year ended 31 December 2020

7. Taxation (continued)

Deferred tax

The deferred tax included in the company balance sheet is as follows:

	2020 £000	2019 £000
<i>Deferred tax asset</i>		
<i>Non-current assets</i>		
Depreciation in excess of capital allowance	6	6
<i>Current assets</i>		
Other temporary difference	2	2
	<u>8</u>	<u>8</u>

The movement in the deferred tax asset recognised in the balance sheet is as follows:

	£000
At 1 January 2020	8
Amount reversed to the income statement	-
At 31 December 2020	<u>8</u>

8. Intangible assets

	Software £000
<i>Cost</i>	
At 1 January 2020	16
Additions	-
At 31 December 2020	<u>16</u>
<i>Amortisation</i>	
At 1 January 2020	16
Amortisation during the year	-
At 31 December 2020	<u>16</u>
<i>Net book value</i>	
At 31 December 2020	-
At 31 December 2019	-

Included in the above, there is fully depreciated software, to be kept for records.

Notes to the financial statements

for the year ended 31 December 2020

9. Tangible assets

	Buildings (Right-of- use- assets)	Buildings improvements	Vehicle (Right- of-use- assets)	Office Equipment	Total
	£000	£000	£000	£000	£000
<i>Cost</i>					
At 1 January 2020	280	87	223	129	719
Acquisitions	-	-	56	6	62
Revaluation value contract	-	-	(5)	-	(5)
Disposals	-	-	(40)	(9)	(49)
At 31 December 2020	280	87	234	126	727
<i>Depreciation</i>					
At 1 January 2020	28	87	69	85	269
Depreciation expense	56	-	84	15	155
Disposals	-	-	(40)	(9)	(49)
At 31 December 2020	84	87	113	91	375
<i>Net book value</i>					
At 31 December 2020	196	-	121	35	352
At 31 December 2019	252	-	154	44	450

Included in the above there is fully depreciated equipment, still in use. The cost element of this is £120,000 (2019: £127,000).

The total net book value of assets held under leasing agreements is equal to £317,000 (2019: £406,000).

10. Stocks

	2020 £000	2019 £000
<i>Gross value</i>		
Work in progress	17	-
Net value stock	17	-

Notes to the financial statements

for the year ended 31 December 2020

11. Debtors: amounts falling due within one year

	2020 £000	2019 £000
<i>Gross value</i>		
Trade debtors	665	1,109
Amounts owed by fellow group undertaking	206	419
Prepayment and accrued income	366	57
Other debtors	15	13
	1,252	1,598
<i>Provisions</i>		
Trade debtors	(214)	(216)
Net value	1,038	1,382

12. Cash at bank and in hand

Surplus fund within the company are invested within the Group through deposits shorter than one month.

	2020 £000	2019 £000
Bank	43	30
Amounts owed by fellow group undertaking	450	150
Net value	493	180

13. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	49	82
Amounts owed to fellow group undertaking	83	90
Other taxation and national insurance costs	126	195
Accruals and deferred income	212	280
Other creditors	25	15
Net value	495	662

Notes to the financial statements

for the year ended 31 December 2020

14. Borrowings

	2020 £000	2019 £000
Non-current borrowings		
Long term lease liabilities	183	261
	183	261
Current borrowings		
Short term lease liabilities	123	132
	123	132
Total borrowings	306	393

Lease liabilities represent the present value of the company's lease obligation in respect of the right of use assets.

The maturity date of the lease liabilities does not exceed July 2024.

The total cash outflows on the lease liabilities amount to £139,000 during the year and the interest expense on the lease liabilities amounts to £3,000.

Maturity analysis of lease liabilities based on the undiscounted gross cashflow is reported in the table below:

	2020 £000	2019 £000
Within one year	128	140
From two to five years	186	267
	314	407

15. Authorised, issued and called up share capital

	No	2020 £000	No	2019 £000
<i>Authorised, allotted, called up and fully paid</i>				
Ordinary shares of £1 each	948,000	948	948,000	948

Notes to the financial statements

for the year ended 31 December 2020

16. Pension commitments

Defined contribution scheme

The company operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to the profit and loss account in respect of defined contribution schemes was £102,000 (2019 - £100,000).

Included in the figure above are accrued contributions of £11,000 (2019 - £14,000).

17. Obligations under Operating lease agreement

From 1. January 2019, only low value leases with total minimum lease payment under £7,500 are expensed on a straight- line basis, all the other lease are recognised under IFRS 16 "Leases" in right to use assets and finance lease liabilities.

The future minimum rentals payable for these low value leases are as follows:

	2020 Others £000	2019 Others £000
Expiry date		
Within one year	2	2
Within two to five years	2	4
	<u>4</u>	<u>6</u>

18. Ultimate parent undertaking and controlling party

The directors consider that Sidel Participations S.A.S, a company incorporated in France, is the immediate parent. The Group financial statements in which Sidel Group is included are published by the ultimate parent company undertaking and controlling party, Tetra Laval International SA, 70 Avenue General Guisan, CH-1009 Pully, Switzerland.