

Holywells Holdings Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2019

Holywells Holdings Limited

Contents

Company Information	<u>1</u>
Strategic Report	<u>2 to 3</u>
Directors' Report	<u>4 to 5</u>
Statement of Directors' Responsibilities	<u>6</u>
Independent Auditor's Report	<u>7 to 9</u>
Consolidated Profit and Loss Account	<u>10</u>
Consolidated Statement of Comprehensive Income	<u>11</u>
Consolidated Balance Sheet	<u>12</u>
Balance Sheet	<u>13</u>
Consolidated Statement of Changes in Equity	<u>14</u>
Statement of Changes in Equity	<u>15</u>
Consolidated Statement of Cash Flows	<u>16</u>
Analysis of changes in net debt	<u>17</u>
Notes to the Financial Statements	<u>18 to 35</u>

Holywells Holdings Limited

Company Information

Directors	Mr Gavin William Pooley Mr Matthew James Pooley Mrs Jodie Pooley Mrs Janyce Pooley Mrs Chloe Pooley Mr Angus Frederick Pooley Mr Philip John Pooley Mrs Elizabeth Anne Pooley
Registered office	11 Holywells Close Ipswich IP3 0AW
Auditors	Larking Gowen LLP Chartered Accountants and Statutory Auditors 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL

Holywells Holdings Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is activities of a holding company.

The principal activity of the group is the hire and sale of coffee and water dispensing machines and associated consumable items.

Fair review of the business

During the year, turnover increased by £1,488,867 to £15,206,219 and gross profit increased by £364,789 to £5,360,247.

Administrative expenses increased by £367,643 to £3,900,248 largely as a result of increased headcount to support the increased activity.

Profit before tax increased by £96,876 to £1,469,838.

At the year end the group had shareholders' funds of £3,833,490 (2018: £2,784,135) including distributable profits of £2,307,064. The directors therefore believe the company's position to be strong with current assets exceeding current liabilities by £1,755,650 and despite the challenges caused by the Covid-19 pandemic the directors consider that the business is in a good position to achieve its strategic aims in the coming years.

It should be noted that the prior period ending 31 December 2018 was a 15 month accounting period, and therefore these movements are not a fair reflection of the performance of the business.

The company's key financial performance indicators during the year were as follows:

	Unit	2019	2018
Turnover	£	15,206,219	13,717,352
Gross profit margin	%	35	36
Profit before tax margin	%	10	10

Holywells Holdings Limited

Strategic Report for the Year Ended 31 December 2019

Principal risks and uncertainties

The recent and ongoing COVID-19 pandemic is having a significant social and economic impact on the world's economies including the UK. As a group we have reacted positively to this challenge. We have been able to react quickly utilising existing technology so that office staff have been able to work effectively from home during the lockdown period.

During this time there has been a significant impact on some of the groups revenue streams. However, the rental component of turnover was largely maintained during this period and other sales revenue is recovering. In addition, Liquidline has implemented cost management measures, drawn on the support of the government furlough (JRS) scheme and diversified into return to work sanitation products. Cash reserves have been protected and marketing activity has been maintained throughout the lockdown. These actions have mitigated the impact of the crisis. We expect that with the easing of lockdown sales will return to pre-crisis levels over 6-9 months.

The group imports a large part of its product range from Europe and it is not clear how this will be affected by Britain leaving the European Union due to the uncertainty surrounding future trading relationships between the UK and the EU. This is mitigated by holding stock of the affected products sufficient to maintain supplies to customers through any period of disruption. Exchange rate risk has been reduced where appropriate by using forward exchange contracts.

Exports to the EU are minimal and this is not considered a significant risk.

Approved by the Board on 23 December 2020 and signed on its behalf by:

.....
Mr Gavin William Pooley
Director

Holywells Holdings Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the for the year ended 31 December 2019.

Directors of the group

The directors who held office during the year were as follows:

Mr Gavin William Pooley

Mr Matthew James Pooley

Mrs Jodie Pooley

Mrs Janyce Pooley

Mrs Chloe Pooley

Mr Angus Frederick Pooley

Mr Philip John Pooley

Mrs Elizabeth Anne Pooley

Dividends

Since the year end the company has declared dividends of £10,000.

Results and dividends

The profit for the year, after taxation, amounted to £1,375,441 (2018 - £1,054,072). Dividends of £326,087 (2018 - £259,539) were recommended and have been paid.

Financial instruments

The company makes use of operational current and reserve bank accounts, trade debtors, trade creditors and hire purchase and lease arrangements. Credit risk due to exposure to trade debtors is minimised by using appropriate credit checks, controls and policy. The company finances its operations through retained profits. Exchange rate risk has been reduced where appropriate by using forward exchange contracts.

The management's objectives are to retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due while maximising returns on surplus funds; and minimise the company's exposure to fluctuating interest rates when seeking new borrowings. Where appropriate funds are invested in sterling treasury deposit accounts. There is therefore no price risk exposure.

Future developments

The directors believe the group will continue to trade successfully in the foreseeable future.

Research and development

The company undertakes research and development activity to develop and enhance both systems and products.

Post balance sheet events

In February 2020 Liquidline Ltd, a subsidiary to the group, acquired the business of Caffè Picco which has strengthened our customer base and fitted well into the existing business model. An estimate of the financial effect of this event cannot be made.

In March 2020 the effect of the COVID-19 pandemic and consequent UK lockdown started to have an impact on the business. The group has reacted promptly and positively to this challenge with the result that the effect on the business has been mitigated. We expect that with the easing of lockdown sales will return to pre-crisis levels over 6-9 months. An estimate of the financial effect of this event cannot be made.

Holywells Holdings Limited

Directors' Report for the Year Ended 31 December 2019

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 23 December 2020 and signed on its behalf by:

.....
Mr Gavin William Pooley
Director

Holywells Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will 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 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.

Holywells Holdings Limited

Independent Auditor's Report to the Members of Holywells Holdings Limited

Opinion

We have audited the financial statements of Holywells Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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.

Other matter – prior year financial statements unaudited

The group and parent company were not required to have a statutory audit for the period ended 31 December 2018 as they were entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly, the corresponding figures for the period ended 31 December 2018 are unaudited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Holywells Holdings Limited

Independent Auditor's Report to the Members of Holywells Holdings Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the statement of directors responsibilities, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Holywells Holdings Limited

Independent Auditor's Report to the Members of Holywells Holdings Limited

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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.

.....
Ian Fitch FCA (Senior Statutory Auditor)

For and on behalf of Larking Gowen LLP, Chartered Accountants and Statutory Auditors
Ipswich

24 December 2020

Holywells Holdings Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2019

		Year ended 31 December 2019 £	(As restated) 15 months ended 31 December 2018 £
	Note		
Turnover	<u>4</u>	15,206,219	13,717,352
Cost of sales		<u>(9,845,972)</u>	<u>(8,721,894)</u>
Gross profit		5,360,247	4,995,458
Administrative expenses		(3,900,248)	(3,532,605)
Other operating income	<u>5</u>	<u>47,337</u>	<u>16,113</u>
Operating profit	<u>6</u>	<u>1,507,336</u>	<u>1,478,966</u>
Other interest receivable and similar income	<u>8</u>	1,191	5,520
Interest payable and similar expenses	<u>9</u>	<u>(38,689)</u>	<u>(111,524)</u>
		<u>(37,498)</u>	<u>(106,004)</u>
Profit before tax		1,469,838	1,372,962
Tax on profit	<u>12</u>	<u>(94,396)</u>	<u>(318,890)</u>
Profit for the financial year		<u>1,375,442</u>	<u>1,054,072</u>
Profit/(loss) attributable to:			
Owners of the company		<u>1,375,442</u>	<u>1,054,072</u>

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 18 to 35 form an integral part of these financial statements.

Holywells Holdings Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 £	(As restated) 2018 £
Profit for the year	<u>1,375,442</u>	<u>1,054,072</u>
Total comprehensive income for the year	<u><u>1,375,442</u></u>	<u><u>1,054,072</u></u>
Total comprehensive income attributable to:		
Owners of the company	<u><u>1,375,442</u></u>	<u><u>1,054,072</u></u>

The notes on pages 18 to 35 form an integral part of these financial statements.

Holywells Holdings Limited

(Registration number: 10394479)

Consolidated Balance Sheet as at 31 December 2019

		2019	(As restated) 2018
	Note	£	£
Fixed assets			
Intangible assets	<u>13</u>	41,259	36,573
Tangible assets	<u>14</u>	3,283,174	2,332,796
		<u>3,324,433</u>	<u>2,369,369</u>
Current assets			
Stocks	<u>16</u>	1,363,338	1,140,650
Debtors	<u>17</u>	2,440,272	1,721,183
Cash at bank and in hand	<u>18</u>	978,677	857,848
		4,782,287	3,719,681
Creditors: Amounts falling due within one year	<u>19</u>	(3,026,637)	(2,424,662)
Net current assets		<u>1,755,650</u>	<u>1,295,019</u>
Total assets less current liabilities		5,080,083	3,664,388
Creditors: Amounts falling due after more than one year	<u>19</u>	(214,387)	(137,587)
Provisions for liabilities	<u>20</u>	(1,032,206)	(742,666)
Net assets		<u>3,833,490</u>	<u>2,784,135</u>
Capital and reserves			
Called up share capital	<u>22</u>	600	600
Share premium reserve	<u>23</u>	1,525,826	1,525,826
Profit and loss account	<u>23</u>	2,307,064	1,257,709
Equity attributable to owners of the company		<u>3,833,490</u>	<u>2,784,135</u>
Shareholders' funds		<u>3,833,490</u>	<u>2,784,135</u>

Approved and authorised by the Board on 23 December 2020 and signed on its behalf by:

.....

Mr Gavin William Pooley
Director

The notes on pages 18 to 35 form an integral part of these financial statements.
Page 12

Holywells Holdings Limited
(Registration number: 10394479)
Company Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	<u>15</u>	1,526,526	1,526,426
Current assets			
Debtors	<u>17</u>	1,100,083	742,761
Cash at bank and in hand	<u>18</u>	453,313	484,992
		1,553,396	1,227,753
Creditors: Amounts falling due within one year	<u>19</u>	(519,012)	(580,825)
Net current assets		1,034,384	646,928
Net assets		<u>2,560,910</u>	<u>2,173,354</u>
Capital and reserves			
Called up share capital	<u>22</u>	600	600
Share premium reserve		1,525,826	1,525,826
Profit and loss account		1,034,484	646,928
Shareholders' funds		<u>2,560,910</u>	<u>2,173,354</u>

The company made a profit after tax for the financial year of £713,643 (2018 - profit of £908,504).

Approved and authorised by the Board on 23 December 2020 and signed on its behalf by:

.....
Mr Gavin William Pooley
Director

The notes on pages 18 to 35 form an integral part of these financial statements.
Page 13

Holywells Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019 Equity attributable to the parent company

	Share capital £	Share premium £	Profit and loss account £	Total £	Total equity £
At 1 January 2019	600	1,525,826	1,257,709	2,784,135	2,784,135
Profit for the year	-	-	1,375,442	1,375,442	1,375,442
Total comprehensive income	-	-	1,375,442	1,375,442	1,375,442
Dividends	-	-	(326,087)	(326,087)	(326,087)
At 31 December 2019	600	1,525,826	2,307,064	3,833,490	3,833,490
	Share capital £	Share premium £	Profit and loss account £	Total £	Total equity £
At 1 October 2017	600	1,525,826	463,176	1,989,602	1,989,602
Profit for the year	-	-	1,054,072	1,054,072	1,054,072
Total comprehensive income	-	-	1,054,072	1,054,072	1,054,072
Dividends	-	-	(259,539)	(259,539)	(259,539)
At 31 December 2018	600	1,525,826	1,257,709	2,784,135	2,784,135

The notes on pages 18 to 35 form an integral part of these financial statements.
Page 14

Holywells Holdings Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2019	600	1,525,826	646,928	2,173,354
Profit for the year	-	-	713,643	713,643
Total comprehensive income	-	-	713,643	713,643
Dividends	-	-	(326,087)	(326,087)
At 31 December 2019	600	1,525,826	1,034,484	2,560,910

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 October 2017	600	1,525,826	(2,037)	1,524,389
Profit for the year	-	-	908,504	908,504
Total comprehensive income	-	-	908,504	908,504
Dividends	-	-	(259,539)	(259,539)
At 31 December 2018	600	1,525,826	646,928	2,173,354

The notes on pages 18 to 35 form an integral part of these financial statements.

Holywells Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

		2019	(As restated) 2018
	Note	£	£
Cash flows from operating activities			
Profit for the year		1,375,442	1,054,072
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>6</u>	838,874	1,054,316
Loss on disposal of tangible assets		10,781	9,371
Finance income	<u>8</u>	(1,191)	(5,520)
Finance costs	<u>9</u>	38,689	111,524
Corporation tax expense	<u>12</u>	94,396	318,890
		2,356,991	2,542,653
Working capital adjustments			
Increase in stocks	<u>16</u>	(222,688)	(495,762)
Increase in debtors	<u>17</u>	(719,089)	(321,692)
Increase/(decrease) in creditors	<u>19</u>	777,689	(429,525)
Increase in provisions	<u>20</u>	195,144	742,666
Cash generated from operations		2,388,047	2,038,340
Corporation tax paid	<u>12</u>	(251,373)	(223,812)
Net cash flow from operating activities		2,136,674	1,814,528
Cash flows from investing activities			
Interest received		1,191	5,520
Acquisitions of tangible assets		(1,480,947)	(1,040,916)
Proceeds from sale of tangible assets		72,871	37,697
Acquisition of intangible assets	<u>13</u>	(15,482)	(38,498)
Net cash flows from investing activities		(1,422,367)	(1,036,197)
Cash flows from financing activities			
Interest paid	<u>9</u>	(38,689)	(111,524)
Payments to finance lease creditors		(228,702)	(150,285)
Dividends paid		(326,087)	(259,539)
Net cash flows from financing activities		(593,478)	(521,348)
Net increase in cash and cash equivalents		120,829	256,983
Cash and cash equivalents at 1 January		857,848	600,865
Cash and cash equivalents at 31 December		978,677	857,848

The notes on pages 18 to 35 form an integral part of these financial statements.

Holywells Holdings Limited

Analysis of changes in net debt for the Year Ended 31 December 2019

Group	At 1 January 2019 £	Financing cash flows £	New finance leases £	At 31 December 2019 £
Cash and cash equivalents				
Cash	857,848	(260,331)	381,160	978,677
Borrowings				
Long term borrowings	(137,587)	91,605	(168,404)	(214,386)
Short term borrowings	(137,097)	137,097	(212,756)	(212,756)
	<u>(274,684)</u>	<u>228,702</u>	<u>(381,160)</u>	<u>(427,142)</u>
	<u>583,164</u>	<u>(31,629)</u>	<u>-</u>	<u>551,535</u>

The notes on pages 18 to 35 form an integral part of these financial statements.

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

11 Holywells Close
Ipswich
IP3 0AW
England

These financial statements were authorised for issue by the Board on 23 December 2020.

Principal activity

The principal activity of the company is activities of a holding company.

The principal activity of the group is the hire and sale of coffee and water dispensing machines and associated consumable items.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2019.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The directors have considered the Group's position at the time of signing the financial statements, and in particular the current issues caused by the Covid-19 pandemic and its potential impact on the group and the wider economy. The directors have produced revised forecasts for the remainder of the 2020 financial year and medium term. The directors have considered the current financial position of the company together with the range of measure the directors can take to mitigate ongoing costs should they need to. Based on this, the directors have concluded that they have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

Restatement of comparatives

Certain comparatives have been restated for purposes of comparability, there has been no effect on the profit or the reserves position for either the current or comparative year.

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'administration expenses'.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. The main component for deferred tax for the group is fixed asset timing differences.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance/straight line
Property improvements	25% straight line
Hire stock	33% straight line/reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Research and development

Research and development expenditure is charged to the Statement of income and retained earnings when it is incurred.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The judgements, estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below:

- Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated useful life of the asset to its estimated residual value.
- Intangible fixed assets are recognised at cost, less accumulated amortisation. Amortisation is charged over the estimated useful life of the asset to its estimated residual value.
- The recoverability of trade debtors is considered on a regular basis. When calculating any debtor provisions, the directors consider the age of the debts and the financial position of the customer.
- The estimated selling prices of stock are considered on a regular basis. When calculating any stock provision, the directors consider the age of the stock and the current trend in product sales.
- A provision for warranty costs based on the expected number of warranty call outs per machine sold or leased.

4 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2019 £	2018 £
Sale of goods	12,952,164	11,902,562
Leasing of equipment	2,254,055	1,814,790
	<u>15,206,219</u>	<u>13,717,352</u>

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

The analysis of the group's turnover for the year by market is as follows:

	2019 £	2018 £
UK	15,203,905	13,717,352
Europe	2,314	-
	<u>15,206,219</u>	<u>13,717,352</u>

5 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2019 £	2018 £
Miscellaneous other operating income	<u>47,337</u>	<u>16,113</u>

6 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	828,079	802,391
Amortisation expense	10,795	251,925
Operating lease expense - plant and machinery	97,059	96,851
Loss on disposal of property, plant and equipment	<u>10,781</u>	<u>9,371</u>

7 Auditors' remuneration

	2019 £	2018 £
Audit of these financial statements	1,500	-
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>9,500</u>	<u>-</u>
	<u>11,000</u>	<u>-</u>

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Other interest receivable and similar income

	2019	2018
	£	£
Other finance income	1,191	5,520

9 Interest payable and similar expenses

	2019	2018
	£	£
Interest on obligations under finance leases and hire purchase contracts	1,133	4,335
Interest expense on other finance liabilities	37,556	107,189
	38,689	111,524

10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019	(As restated) 2018
	£	£
Wages and salaries	3,195,255	2,593,831
Social security costs	306,925	199,655
Pension costs, defined contribution scheme	32,967	13,575
	3,535,147	2,807,061

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	10	8
Research and development	7	9
Sales	22	17
Marketing	5	5
Distribution	54	39
	98	78

11 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	25,902	50,025

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

12 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	94,396	318,890

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	(As restated) 2018 £
Profit before tax	1,469,838	1,372,962
Corporation tax at standard rate	279,269	260,863
Effect of revenues exempt from taxation	-	(1,780)
Effect of expense not deductible in determining taxable profit (tax loss)	18,822	2,151
Effect of tax losses	43,748	-
Deferred tax expense from unrecognised tax loss or credit	94,396	-
Tax (decrease)/increase from effect of capital allowances and depreciation	(101,624)	23,834
Tax (decrease)/increase arising from group relief	(2,470)	2,400
Tax decrease from effect of adjustment in research and development tax credit	(237,745)	(1,505)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	32,927
Total tax charge	94,396	318,890

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

13 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
At 1 January 2019	1,038,498	1,038,498
Additions acquired separately	15,482	15,482
At 31 December 2019	1,053,980	1,053,980
Amortisation		
At 1 January 2019	1,001,925	1,001,925
Amortisation charge	10,796	10,796
At 31 December 2019	1,012,721	1,012,721
Carrying amount		
At 31 December 2019	41,259	41,259
At 31 December 2018	36,573	36,573

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

14 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Hire stock £	Total £
Cost or valuation					
At 1 January 2019	613,348	512,826	702,338	2,977,461	4,805,973
Additions	2,140	73,698	401,606	1,384,665	1,862,109
Disposals	-	(24,305)	(146,552)	-	(170,857)
At 31 December 2019	615,488	562,219	957,392	4,362,126	6,497,225
Depreciation					
At 1 January 2019	20,589	305,701	284,127	1,862,760	2,473,177
Charge for the year	1,392	45,800	171,829	609,058	828,079
Eliminated on disposal	-	(358)	(86,847)	-	(87,205)
At 31 December 2019	21,981	351,143	369,109	2,471,818	3,214,051
Carrying amount					
At 31 December 2019	593,507	211,076	588,283	1,890,308	3,283,174
At 31 December 2018	592,759	207,125	418,211	1,114,701	2,332,796

Included within the net book value of land and buildings above is £593,507 (2018 - £592,759) in respect of freehold land and buildings.

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2019	2018
	£	£
Motor vehicles	520,411	264,436

Assets held for use in operating leases

The net carrying amount of tangible assets includes £1,890,308 (2018: £1,114,701) assets held for use in operating leases.

15 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Liquidline Limited	11 Holywells Close, Ipswich, IP3 0AW England & Wales	Ordinary shares	100%	100%
Holywells Property Limited	11 Holywells Close, Ipswich, IP3 0AW England & Wales	Ordinary £1 shares	100%	0%

Company

	2019	2018
	£	£
Investments in subsidiaries	1,526,526	1,526,426

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Subsidiaries	£
Cost or valuation	
At 1 January 2019	1,526,426
Additions	100
At 31 December 2019	1,526,526
Provision	
Carrying amount	
At 31 December 2019	1,526,526
At 31 December 2018	1,526,426

16 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other inventories	1,363,338	1,140,650	-	-

17 Debtors

	Group		Company	
	2019	(As restated) 2018	2019	2018
	£	£	£	£
Trade debtors	2,179,344	1,461,615	-	-
Amounts owed by related parties and group undertakings	-	41,324	1,100,083	742,761
Other debtors	31,529	17,002	-	-
Prepayments	229,399	201,242	-	-
	2,440,272	1,721,183	1,100,083	742,761

18 Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash on hand	-	250	-	-
Cash at bank	978,677	857,598	453,313	484,992
	978,677	857,848	453,313	484,992

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

19 Creditors

		Group		Company	
		(As restated)			
Note		2019	2018	2019	2018
		£	£	£	£
Due within one year					
Loans and borrowings	<u>24</u>	212,756	137,097	-	-
Trade creditors		1,213,762	774,290	-	-
Amounts due to related parties	<u>27</u>	479,722	540,797	479,722	540,797
Social security and other taxes		330,695	152,770	-	-
Outstanding defined contribution pension costs		8,634	2,687	-	-
Other payables		8,550	97,986	8,195	-
Accruals		184,771	29,597	31,095	40,028
Income tax liability	<u>12</u>	-	251,373	-	-
Deferred income		587,747	438,065	-	-
		<u>3,026,637</u>	<u>2,424,662</u>	<u>519,012</u>	<u>580,825</u>
Due after one year					
Loans and borrowings	24	214,387	137,587	-	-

20 Provisions for liabilities

Group	Warranties £	Deferred tax £	Other provisions £	Total £
At 1 January 2019	724,666	-	-	724,666
Additional provisions	-	94,396	41,400	135,796
Increase (decrease) in existing provisions	<u>171,744</u>	<u>-</u>	<u>-</u>	<u>171,744</u>
At 31 December 2019	<u>896,410</u>	<u>94,396</u>	<u>41,400</u>	<u>1,032,206</u>

The company accrues for warranty costs based on the expected number of warranty call outs per machine sold or leased. This provision has been reclassified from creditors to provisions during the year as the directors consider this to be the correct treatment.

Other provisions comprises of a provision for dilapidations. The company accrues for dilapidation costs based on the estimated costs to be incurred at the end of property leases.

Deferred tax is recognised on tax losses not yet used and temporary differences where it is probable that there will be taxable revenue against which these can be offset. The main component for deferred tax for the company is fixed asset timing differences.

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £32,967 (2018 - £13,575).

Contributions totalling £8,634 (2018 - £2,687) were payable to the scheme at the end of the year and are included in creditors.

22 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary A of £1 each of £1 each	30	30	30	30
Ordinary B of £1 each of £1 each	30	30	30	30
Ordinary C of £1 each of £1 each	120	120	120	120
Ordinary D of £1 each of £1 each	90	90	90	90
Ordinary E of £1 each of £1 each	90	90	90	90
Ordinary F of £1 each of £1 each	90	90	90	90
Ordinary G of £1 each of £1 each	120	120	120	120
Ordinary H of £1 each of £1 each	30	30	30	30
	600	600	600	600

Share capital represents the nominal value of shares issued. Shares carry voting rights and an entitlement to dividends.

23 Reserves

Profit and loss account

Includes all current and prior year retained profits and losses net of dividends.

24 Loans and borrowings

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Non-current loans and borrowings				
HP and finance lease liabilities	214,387	137,587	-	-

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Current loans and borrowings				
HP and finance lease liabilities	212,756	137,097	-	-

Loans and borrowings are secured against the assets to which they relate.

25 Dividends

Interim dividends paid

	2019	2018
	£	£
Interim dividend of 974 (2018 - 388) per each Ordinary A £1 shares	29,229	11,627
Interim dividend of 974 (2018 - 388) per each Ordinary B £1 shares	29,229	11,627
Interim dividend of 428 (2018 - 347) per each Ordinary C £1 shares	51,366	41,596
Interim dividend of 571 (2018 - 462) per each Ordinary D £1 shares	51,366	41,596
Interim dividend of 460 (2018 - 297) per each Ordinary E £1 shares	41,366	26,734
Interim dividend of 460 (2018 - 297) per each Ordinary F £1 shares	41,366	26,734
Interim dividend of 342 (2018 - 434) per each Ordinary G £1 shares	41,083	53,277
Interim dividend of 1,369 (2018 - 1,545) per each Ordinary H £1 shares	41,083	46,350
	<u>326,087</u>	<u>259,539</u>

26 Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than one year	55,449	64,148
Later than one year and not later than five years	<u>29,354</u>	<u>48,937</u>
	<u>84,803</u>	<u>113,085</u>

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

27 Related party transactions

Group

Key management personnel

The directors consider themselves to make up the key management personnel of the company and details of directors remuneration is disclosed on note 11.

Transactions with group companies

Under FRS 102 paragraph 33.1A, the group is exempt from disclosing transactions between group companies. This exemption has been taken.

Transactions with directors

During the year, remuneration of £25,902 (2018: £50,025) was paid to the directors of the group. Directors of the group were paid dividends of £326,087 (2018: £259,539). At the end of the year, the group owed directors £479,722 (2018: £540,797). During the year, interest was paid on the balance of amounts owed to directors amounting to £37,556 (2018: £107,189).

Company

Transactions with directors

Directors of the company were paid dividends of £326,087 (2018: £259,539). At the end of the year, the company owed directors £479,722 (2018: £540,797). During the year, interest was paid on the balance of amounts owed to directors amounting to £37,556 (2018: £107,189).

28 Financial instruments

Group

Financial assets

	2019 £	(As restated) 2018 £
Financial assets measured at amortised cost	3,189,550	2,377,789

Financial liabilities

	2019 £	(As restated) 2018 £
Financial liabilities measured at amortised cost	1,417,538	974,688

Holywells Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Financial assets measured at amortised cost comprise of trade debtors, other debtors, amounts owed by related parties and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts due to related parties, other payables, accruals and hire purchase and finance lease liabilities.

Company

Financial assets

	2019 £	2018 £
Financial assets measured at amortised cost	<u>1,553,396</u>	<u>1,227,753</u>

Financial liabilities

	2019 £	2018 £
Financial liabilities measured at amortised cost	<u>519,012</u>	<u>580,825</u>

Financial assets measured at amortised cost comprise of trade debtors, other debtors, amounts owed by related parties and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts due to related parties, other payables, accruals and hire purchase and finance lease liabilities.

29 Ultimate controlling party

No party owns more than 50% of the shares in the group, therefore there is no ultimate controlling party.

30 Non adjusting events after the financial period

In February 2020 Liquidline Ltd, a subsidiary to the group, acquired the business of Caffè Picco which has strengthened our customer base and fitted well into the existing business model. An estimate of the financial effect of this event cannot be made.

In March 2020 the effect of the COVID-19 pandemic and consequent UK lockdown started to have an impact on the business. The group has reacted promptly and positively to this challenge with the result that the effect on the business has been mitigated. We expect that with the easing of lockdown sales will return to pre-crisis levels over 6-9 months. An estimate of the financial effect of this event cannot be made.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.