

Company Registration No. SC108168 (Scotland)

CARRON PHOENIX LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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CARRON PHOENIX LIMITED

COMPANY INFORMATION

Directors	J Fischer
Secretary	D Orwin
Company number	SC108168
Registered office	West Carron Works Stenhouse Road Carron Falkirk FK2 8DR
Auditor	Hart Shaw LLP The Hart Shaw Building Europa Link Sheffield Business Park Sheffield S9 1XU

CARRON PHOENIX LIMITED

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CARRON PHOENIX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

The loss for the year, after taxation, amounted to £252,000 (2019 - loss £114,000).

Turnover for the period was £2,644,000. Gross profit adjusted by distribution costs was 94% (an increase of 63%) on the provision of a logistics service to other companies within the Franke Group. The increase in the gross profit is due to material costs no longer being included within the accounts, this is a result of the production process ceasing, and the reanalysis of costs to administrative expenses.

The company continues to provide logistic services to other companies within the Franke Group. Therefore the going concern principle has been applied in the preparation of these accounts.

The principle risks and uncertainties affecting the business include the following:

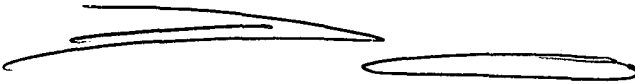
- The impact of Brexit and global economic uncertainty affecting demand from customers in the group supply chain.

Key areas of strategic development and performance of the business include:

- Development of the process to increase productivity
- Development of planning systems to support business performance

Key financial indicators include the monitoring of profitability.

By order of the board



D Orwin
Secretary
8 March 2021

CARRON PHOENIX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company continued to be that of providing logistics services to other companies within the Franke Group

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Fischer

Auditor

In accordance with the company's articles, a resolution proposing that Hart Shaw LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



D Orwin
Secretary

8 March 2021

CARRON PHOENIX LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

CARRON PHOENIX LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARRON PHOENIX LIMITED

Opinion

We have audited the financial statements of Carron Phoenix Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 2020 and of its loss 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 at least twelve 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.

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 our 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 this gives rise to 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 this 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 our audit:

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

CARRON PHOENIX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CARRON PHOENIX LIMITED

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 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, 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.*

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response

It was deemed the susceptibility to material misstatement was low because the nature of the business does not lend itself to fraud.

Management override is inherently high risk and as a result, journals in the year have been reviewed and tested for appropriateness. We also assessed whether managements judgements indicated potential bias and during the audit we reviewed the underlying rationale behind transactions in order to assess whether they were outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly followed auditing standards.

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

CARRON PHOENIX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CARRON PHOENIX LIMITED

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.



Paul Dawson (Senior Statutory Auditor)
For and on behalf of Hart Shaw LLP

Chartered Accountants
Statutory Auditor

2/3/21

The Hart Shaw Building
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

CARRON PHOENIX LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Turnover	3	2,644	2,684
Cost of sales		(144)	(1,835)
Gross profit		2,500	849
Distribution costs		-	(6)
Administrative expenses		(3,035)	(1,589)
Other operating income		141	-
Operating loss	4	(394)	(746)
Gain through fair value adjustment	7	-	367
Loss before taxation		(394)	(379)
Tax on loss	8	142	265
Loss for the financial year		(252)	(114)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CARRON PHOENIX LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Tangible assets	9	314	342
Investment properties	10	2,450	2,450
		<u>2,764</u>	<u>2,792</u>
Current assets			
Debtors	11	890	2,203
Cash at bank and in hand		3,051	1,945
		<u>3,941</u>	<u>4,148</u>
Creditors: amounts falling due within one year	12	<u>(629)</u>	<u>(612)</u>
Net current assets		3,312	3,536
Total assets less current liabilities		<u>6,076</u>	<u>6,328</u>
Capital and reserves			
Called up share capital	14	6,000	6,000
Profit and loss reserves		76	328
Total equity		<u>6,076</u>	<u>6,328</u>

The financial statements were approved and signed by the director and authorised for issue on 8 March 2021


J Fischer
Director

Company Registration No. SC108168

CARRON PHOENIX LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 January 2019	6,000	442	6,442
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(114)	(114)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	6,000	328	6,328
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(252)	(252)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	<u>6,000</u>	<u>76</u>	<u>6,076</u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Carron Phoenix Limited is a private company, limited by shares and incorporated in Scotland. The registered office is West Carron Works, Stenhouse Road, Carron, Falkirk, FK2 8DR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Franke UK Holding Limited. These consolidated financial statements are available from its registered office, West Carron Works, Stenhouse Road, Carron, Falkirk, FK2 8DR.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year. Revenue for goods and services is recognised at the point which goods and services have been received by the customer.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	2 to 10 years straight line
Fixtures and fittings	2 to 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure.

Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity Instruments

Equity Instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2020 £000	2019 £000
Turnover analysed by class of business		
Sale of domestic kitchen sinks and accessories	-	94
Rendering of services	2,644	2,590
	<u>2,644</u>	<u>2,684</u>

	2020 £000	2019 £000
Other significant revenue		
Grants received	141	-
	<u>141</u>	<u>-</u>

	2020 £000	2019 £000
Turnover analysed by geographical market		
United Kingdom	2,644	2,238
Overseas	-	446
	<u>2,644</u>	<u>2,684</u>

4 Operating loss

	2020 £000	2019 £000
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	260	81
Government grants	(141)	-
Depreciation of owned tangible fixed assets	104	75
	<u>223</u>	<u>156</u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	5	13

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Sales and marketing	34	32

Their aggregate remuneration comprised:

	2020 £000	2019 £000
Wages and salaries	1,413	1,450
Social security costs	153	134
Pension costs	66	58
	1,632	1,642

7 Gain through fair value adjustment

	2020 £000	2019 £000
Changes in the fair value of investment properties	-	367

8 Taxation

	2020 £000	2019 £000
Current tax		
UK corporation tax on profits for the current period	(87)	(206)
Adjustments in respect of prior periods	(55)	(126)
Total current tax	(142)	(332)

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Taxation

(Continued)

	2020 £000	2019 £000
Deferred tax		
Origination and reversal of timing differences	-	67
	<u> </u>	<u> </u>
Total tax credit	<u>(142)</u>	<u>(265)</u>

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £000	2019 £000
Loss before taxation	<u>(394)</u>	<u>(379)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(75)	(72)
Tax effect of expenses that are not deductible in determining taxable profit	(1)	(73)
Gains not taxable	-	1
Adjustments in respect of prior years	(56)	(126)
Effect of revaluations of investments	-	(70)
Effect of difference between current and deferred tax rates	-	67
Depreciation in excess of capital allowances	(10)	8
	<u> </u>	<u> </u>
Taxation credit for the year	<u>(142)</u>	<u>(265)</u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Tangible fixed assets

	Assets under construction £000	Plant and equipment £000	Fixtures and fittings £000	Computer software £000	Total £000
Cost					
At 1 January 2020	113	1,101	82	1,274	2,570
Additions	9	67	-	-	76
Transfers	(113)	113	-	-	-
At 31 December 2020	9	1,281	82	1,274	2,646
Depreciation and impairment					
At 1 January 2020	-	891	63	1,274	2,228
Depreciation charged in the year	-	95	9	-	104
At 31 December 2020	-	986	72	1,274	2,332
Carrying amount					
At 31 December 2020	9	295	10	-	314
At 31 December 2019	113	210	19	-	342

10 Investment property

	2020 £000
Fair value	
At 1 January 2020 and 31 December 2020	2,450

The fair value of the Group's investment property at 31 December 2019 was determined by independent, appropriately qualified external valuers, Avison Young. The directors have assessed the value at the current year end and do not believe the value has materially changed from the valuation date. Any gain or loss arising from a change in fair value is recognised in profit or loss.

11 Debtors

	2020 £000	2019 £000
Amounts falling due within one year:		
Corporation tax recoverable	351	1,470
Amounts owed by group undertakings	279	490
Prepayments and accrued income	260	243
	890	2,203

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	134	80
Taxation and social security	63	71
Accruals and deferred income	432	461
	<u>629</u>	<u>612</u>

13 Retirement benefit schemes

	2020 £000	2019 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>66</u>	<u>58</u>

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

14 Share capital

	2020 Number	2019 Number	2020 £000	2019 £000
Ordinary share capital				
Issued and fully paid				
ordinary shares of £1 each	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000</u>	<u>6,000</u>

15 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2020 £000	2019 £000	2020 £000	2019 £000
Sales to fellow subsidiaries on normal trading terms	2,140	2,312	-	-
Management charges from fellow subsidiaries	-	-	47	23
SAP running costs	-	-	153	179
Other expenses charged by group companies	-	-	48	19
	<u></u>	<u></u>	<u></u>	<u></u>

The following amounts were outstanding at the reporting end date:

	2020 £000	2019 £000
Amounts due to related parties		
Other related parties	<u>37</u>	<u>15</u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts due from related parties	£000	£000
Other related parties	316	522
	<u> </u>	<u> </u>

16 Ultimate controlling party

The company is a subsidiary undertaking of Franke UK Holding Limited. The ultimate controlling party is Franke Holding AG.

The smallest group in which they are consolidated is that headed by Franke UK Holding Limited, West Carron Works, Stenhouse Road, Carron, Falkirk, FK2 8DR.

The largest group in which the results of the Company are consolidated is that headed by Franke Holding AG, Dorfbachstrasse 2, Aarburg, Switzerland. The consolidated financial statements of this group are not available to the public.