

COMPANY REGISTRATION NO. 00690594 (England and Wales)

BISLEY OFFICE EQUIPMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

BISLEY OFFICE EQUIPMENT LIMITED

COMPANY INFORMATION

Directors	A C Brown OBE (Chairman)	
	P A Crutcher	
	T Pryke	
	R Bayliss	(Appointed 16 December 2019)
	D W Botterill	(Appointed 16 December 2019)
	R Costin	(Appointed 16 December 2019)
Secretary	P R Ashdown	
Company number	00690594	
Registered office	Bisley Factory Caswell Way Reevesland Industrial Estate Newport South Wales United Kingdom NP19 4PW	
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW	

BISLEY OFFICE EQUIPMENT LIMITED

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BISLEY OFFICE EQUIPMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020

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

Statement by the directors on performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Board of directors of Bisley Office Equipment Limited consider, both individually and collectively, that they have acted in ways that they believe in good faith to be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and other matters set out in s172(1) of the Act) in the decisions they made during the year ended 31 July 2020.

We support diversity and inclusion within the workplace and recognise our colleagues as our most important and valuable asset, and aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and wellbeing of our colleagues are of the highest importance and ensuring these is one of our primary considerations in the way we do business.

Caring for our customers is fundamental to the success of our business and we endeavour to serve them to the very best of our ability, whether this is dealing with other businesses or directly with consumers through our Online operations. We are committed to ensuring that all the products we sell meet the latest industry standards and offer our customers both high quality and great value.

We also aim to act responsibly and fairly in our engagement with suppliers, regulators, bankers, insurers and stakeholders. All suppliers are paid in accordance with their agreed terms. We respond quickly and fully to queries from regulators, bankers, insurers and stakeholders, providing the last with monthly updates on our performance.

The business is committed to protecting and ensuring the health and wellbeing of the communities in which we operate, and that of the wider environment and society as a whole. We work with and support local and national charities and have done so for many years. We continue to work hard to reduce our impact on the environment by continuous improvement of our processes and procedures.

As the Board of Directors, our intention is always to behave responsibly and to ensure that the business operates in a responsible manner, adhering to high standards of business conduct and good governance. We recognise that the maintenance of our good reputation, founded on responsible behaviour, is fundamental to our continuing ability to achieve profitable growth for the benefit of all our stakeholders in the future.

Fair review of the business

Group sales decreased by 23.4% to £71.4m (2019: £93.2m). UK sales fell by 16.3% to £34.3m (2019: £41.0m). International sales decreased by 28.9% to £37.1m (2019: £52.2m) and the decline in all areas was principally driven by COVID 19.

Gross margins decreased by 1.5% to 25.7% (2019: 27.2%) due to cost of direct labour remaining in the business as revenues dropped significantly from April through to July.

Distribution costs fell by 4.7%, but relative to Turnover they increased from 19.8% to 24.7% due to a proportion of these costs being fixed and not reducing in line with the lower Turnover.

Administration expenses have increased from £7.06m in the year ended 31 July 2019 to £8.51m. 2020 includes an increase in bad debts by £0.82m mainly driven by COVID 19. This increase was split between the UK (£0.25m) and the USA (£0.57m). Another key variance was that in 2019 Administration costs includes an exchange gain of £0.4m whilst there was an exchange loss of £0.25m in 2020, a variance of £0.65m.

Exceptional costs in the year were split between restructuring costs of £1.1m and provisions of £1.4m against loans and investments in non-core business activities.

A fair value assessment on derivative financial instruments open at the year-end causes us to recognise a loss of £0.08m, and accordingly a net loss is reported before taxation of £7.8m (2019: £0.3m).

We acknowledge the significant contribution of our entire workforce in what was a difficult year, and particularly their flexibility in adapting to the increasingly variable and complex requirements of the market.

BISLEY OFFICE EQUIPMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

Principal risks and uncertainties

Demand risk

Fluctuations in the UK and global economies pose the greatest risk to the group's short term performance. Our strategy of geographic and market diversification is focused on reducing this risk.

Price risk

The group is exposed to the risk of commodity price volatility which has been significant in recent years. The group remains vigilant and wherever possible enters into long-term price agreements for material costs and other components.

Credit risk

The group's principal financial assets are bank balances and cash, short term investments and trade and other receivables. The group's credit risk is primarily attributed to its trade receivables. The amounts presented in the balance sheets are net of allowance for doubtful receivables. An allowance is made where there is evidence of a reduction in the recoverability of cash flows. Where possible the group insures its trade receivables. The credit risk on liquid funds is spread and limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or have a significant UK Government shareholding.

Foreign exchange risk

The group's activities expose it to the financial risks of change in foreign currency exchange rates. Where possible the group seeks to match purchases and sales in foreign currencies. Where appropriate the group uses forward exchange contracts to reduce risk and protect it against adverse short term exchange movements.

Future developments

The financial year has been challenging due to market conditions and the new normal of people continuing to work from home. Market demand for steel storage continues to decline for these reasons. However, from the start of the new financial year the business intends to introduce many new products that are aligned to the changes in market conditions, that, and the intention to introduce new technology and investment in new equipment will continue to design and innovate this industry.

With these new products launching we were expecting to improve upon our profitability until the recent Covid-19 pandemic. This will, as with many companies, have a profound effect on our financial prospects in the short term. Our overriding concerns are to ensure our employees remain safe and that we protect the Company's longevity. As stated, John Atkin left the company in February 2020 and Richard Costin, who joined the Board on the 1st January 2020, has replaced him as Chief Executive. Richard Blackwell, a longstanding director, retired in the year. Richard Costin has led a complete business restructure and has refocussed the company on its core activity of manufacturing that has stabilised the business for the future.

BISLEY OFFICE EQUIPMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

Going concern

Uncertainty due to the recent COVID-19 outbreak has been considered as part of the group's adoption of the going concern basis. All appropriate measures have been put in place to reduce the impact on the group including cost reduction, with a full review of staffing requirements, and the postponement of capital expenditure projects where possible.

The Board's latest forecasts are based on a scenario of a reduction in revenue during the period of lock-down imposed by the Government and then a phased return to normal levels of activity. The Board has factored in a delay in all non-committed capital expenditure, reduction in discretionary spends, taken account of the concessions announced by the Government in relation to furloughing of staff and payment of certain taxes, and a possible delay in receiving funds from customers. Under this scenario the group will have the resources to trade through this period.

The events arising as a result of the COVID-19 outbreak has meant that there is a material uncertainty but based on the proactive measures taken against the downside indications, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

By order of the board

P R Ashdown

Secretary

28 July 2021

BISLEY OFFICE EQUIPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

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

Principal activities

The principal activity of the company is to act as a holding company. The company's subsidiaries are engaged in the manufacture, sale and distribution of office and other furniture.

Directors

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

A C Brown OBE (Chairman)	
H R Blackwell (Chief Executive)	(Resigned 31 December 2019)
J D Atkin (Managing Director)	(Resigned 11 March 2020)
P A Crutcher	
I Pryke	
R Bayliss	(Appointed 16 December 2019)
D W Botterill	(Appointed 16 December 2019)
R Costin	(Appointed 16 December 2019)

Results and dividends

The results for the year are set out on page 11, a review of business is provided in the strategic report on page 1.

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

No dividends were paid in the prior year.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group recognises the importance of good communications and relations with all employees. Employees are regularly informed of the group's performance and are actively encouraged to discuss with management any matters which may be of concern to them. Suggestions from employees which may improve their working environment or the group's performance are welcomed.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Details of the group's plan in relation to employees share ownership are provided in note 26.

Auditor

The auditors, UHY Hacker Young, have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

BISLEY OFFICE EQUIPMENT LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Energy and carbon report

BISLEY OFFICE EQUIPMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

BISLEY OFFICE EQUIPMENT LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

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 auditor of the company 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 auditor of the company is aware of that information.

By order of the board

P R Ashdown
Secretary

28 July 2021

BISLEY OFFICE EQUIPMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JULY 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 group and company, and of the profit or loss of the group 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BISLEY OFFICE EQUIPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BISLEY OFFICE EQUIPMENT LIMITED

Opinion

We have audited the financial statements of Bisley Office Equipment Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 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 group's and the parent company's affairs as at 31 July 2020 and of the group's 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

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.

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.

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.

BISLEY OFFICE EQUIPMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BISLEY OFFICE EQUIPMENT LIMITED**

Matters on which we are required to report by exception

In the light of the 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 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 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.

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: <http://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.

Mr John Griffiths (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

28 July 2021

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

BISLEY OFFICE EQUIPMENT LIMITED

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 £'000	2019 £'000
Turnover	3	71,428	93,203
Cost of sales		(53,059)	(67,814)
Gross profit		18,369	25,389
Distribution costs		(17,624)	(18,487)
Exceptional costs	8	(2,486)	(337)
Other administrative expenses		(8,488)	(7,063)
Total administrative expenses		(10,974)	(7,400)
Other operating income		2,514	508
Operating (loss)/profit	4	(7,715)	10
Interest receivable and similar income	9	21	18
Interest payable and similar expenses	10	(2)	-
Other gains and losses	11	(76)	(294)
Loss before taxation		(7,772)	(266)
Tax on loss	12	872	(347)
Loss for the financial year		(6,900)	(613)
Loss for the financial year is attributable to:			
- Owners of the parent company		(6,688)	(361)
- Non-controlling interests		(212)	(252)
		(6,900)	(613)

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

BISLEY OFFICE EQUIPMENT LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020**

	2020	2019
	£'000	£'000
Loss for the year	(6,900)	(613)
Other comprehensive income		
Currency translation differences	(3)	133
Total comprehensive income for the year	<u>(6,903)</u>	<u>(480)</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(6,691)	(228)
- Non-controlling interests	(212)	(252)
	<u>(6,903)</u>	<u>(480)</u>

BISLEY OFFICE EQUIPMENT LIMITED

GROUP BALANCE SHEET

AS AT 31 JULY 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Goodwill	13		-		104
Other intangible assets	13		-		147
Total intangible assets			-		251
Tangible assets	14		24,713		26,766
Investments	15		-		656
			24,713		27,673
Current assets					
Stocks	19	6,257		7,115	
Debtors	20	15,624		24,976	
Cash at bank and in hand		9,394		5,205	
		31,275		37,296	
Creditors: amounts falling due within one year					
	21	(15,987)		(17,786)	
Net current assets			15,288		19,510
Total assets less current liabilities			40,001		47,183
Provisions for liabilities	22		(51)		-
Deferred income	25		(117)		(148)
Net assets			39,833		47,035
Capital and reserves					
Called up share capital	27		150		150
Revaluation reserve			1,497		1,497
Capital redemption reserve			100		100
Profit and loss reserves			38,679		45,669
Equity attributable to owners of the parent company			40,426		47,416
Non-controlling interests			(593)		(381)
			39,833		47,035

The financial statements were approved by the board of directors and authorised for issue on 28 July 2021 and are signed on its behalf by:

R Costin
Director

BISLEY OFFICE EQUIPMENT LIMITED**COMPANY BALANCE SHEET****AS AT 31 JULY 2020**

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	15		1,695		1,706
Current assets					
Debtors	20	1,485		5,450	
Cash at bank and in hand		41		2	
		<u>1,526</u>		<u>5,452</u>	
Creditors: amounts falling due within one year					
	21	<u>(2,539)</u>		<u>(6,669)</u>	
Net current liabilities			<u>(1,013)</u>		<u>(1,217)</u>
Total assets less current liabilities			682		489
Provisions for liabilities	22		<u>(51)</u>		<u>-</u>
Net assets			<u>631</u>		<u>489</u>
Capital and reserves					
Called up share capital	27		150		150
Capital redemption reserve			100		100
Profit and loss reserves			<u>381</u>		<u>239</u>
Total equity			<u>631</u>		<u>489</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £442,000 (2019: £260,000), including exceptional costs of £3,384,661 (2019: £nil), refer to note 8. During the year £300,000 (2019: £nil) was debited to the profit and loss reserve in respect of shares acquired into treasury.

The financial statements were approved by the board of directors and authorised for issue on 28 July 2021 and are signed on its behalf by:

R Costin

Director**Company Registration No. 00690594**

BISLEY OFFICE EQUIPMENT LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020**

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total non-controlling interest	Controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2018	150	1,497	100	45,893	47,640	(129)	47,511
Year ended 31 July 2019:							
Loss for the year	-	-	-	(361)	(361)	(252)	(613)
Other comprehensive income:							
Currency translation differences	-	-	-	133	133	-	133
Total comprehensive income for the year	-	-	-	(228)	(228)	(252)	(480)
Credit to equity for equity settled share-based payments	26	-	-	4	4	-	4
Balance at 31 July 2019	150	1,497	100	45,669	47,416	(381)	47,035
Year ended 31 July 2020:							
Loss for the year	-	-	-	(6,688)	(6,688)	(212)	(6,900)
Other comprehensive income:							
Currency translation differences on overseas subsidiaries	-	-	-	(3)	(3)	-	(3)
Total comprehensive income for the year	-	-	-	(6,691)	(6,691)	(212)	(6,903)
Shares acquired into treasury	-	-	-	(300)	(300)	-	(300)
Credit to equity for equity settled share-based payments	26	-	-	1	1	-	1
Balance at 31 July 2020	150	1,497	100	38,679	40,426	(593)	39,833

BISLEY OFFICE EQUIPMENT LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020**

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2018	150	100	(21)	229
Year ended 31 July 2019:				
Profit and total comprehensive income for the year	-	-	260	260
Balance at 31 July 2019	150	100	239	489
Year ended 31 July 2020:				
Profit and total comprehensive income for the year	-	-	442	442
Shares acquired into treasury	-	-	(300)	(300)
Balance at 31 July 2020	150	100	381	631

BISLEY OFFICE EQUIPMENT LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020**

		2020	2019
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	33	5,387	1,037
Interest paid		(2)	-
Income taxes paid		(116)	(221)
Net cash inflow from operating activities		<u>5,269</u>	<u>816</u>
Investing activities			
Purchase of intangible assets		(86)	(84)
Proceeds on disposal of intangibles		-	70
Purchase of tangible fixed assets		(793)	(1,124)
Proceeds on disposal of tangible fixed assets		133	44
Purchase of fixed asset investments		(55)	-
Interest received		21	18
Net cash used in investing activities		<u>(780)</u>	<u>(1,076)</u>
Financing activities			
Purchase of treasury shares		(300)	-
Net cash used in financing activities		<u>(300)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>4,189</u>	<u>(260)</u>
Cash and cash equivalents at beginning of year		<u>5,205</u>	<u>5,465</u>
Cash and cash equivalents at end of year		<u><u>9,394</u></u>	<u><u>5,205</u></u>

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Bisley Office Equipment Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Bisley Factory, Caswell Way, Recvesland Industrial Estate, Newport, South Wales, United Kingdom, NP19 4PW.

The group consists of Bisley Office Equipment Limited and all of its subsidiaries.

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 £'000.

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.

The 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 for parent company information presented within the consolidated financial statements:

- 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.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries and associates are accounted for at cost less impairment.

BISLEY OFFICE EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Bisley Office Equipment Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

Uncertainty due to the recent COVID-19 outbreak has been considered as part of the group's adoption of the going concern basis. All appropriate measures have been put in place to reduce the impact on the group including cost reduction, with a full review of staffing requirements, and the postponement of capital expenditure projects where possible.

The Board's latest forecasts are based on a scenario of a reduction in revenue during the period of lock-down imposed by the Government and then a phased return to normal levels of activity. The Board has factored in a delay in all non-committed capital expenditure, reduction in discretionary spends, taken account of the concessions announced by the Government in relation to furloughing of staff and payment of certain taxes, and a possible delay in receiving funds from customers. Under this scenario the group will have the resources to trade through this period.

The events arising as a result of the COVID-19 outbreak has meant that there is a material uncertainty but based on the proactive measures taken against the downside indications, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Development costs	4 years
-------------------	---------

1.8 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.

The group took advantage of the transitional provisions in Section 35 of FRS 102 to use a previous GAAP revaluation of property as its deemed cost. The group had similarly used the transition provisions in FRS 15 Tangible Fixed Assets and retained the book amounts of freehold land and buildings where revalued prior to implementation of that standard. The properties in Newport, South Wales were last revalued at 31 July 1989 and the valuations have not subsequently been updated.

Subsequent additions are stated at cost. All repairs are written off as incurred. Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement in reserves.

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation and provision for any impairment. Depreciation is not provided on freehold land or assets in the course of construction. On all other assets it is provided on cost or revalued sum less residual amount in equal instalments over the estimated useful lives of the assets. The estimated lives of the assets have been assessed as follows:

Freehold buildings	50 years
Leasehold improvements	Over life of lease
Plant, machinery and press tools	3 to 10 years
Fixtures, furniture & office equipment	3 to 10 years
Motor vehicles	4 years

Assets in the course of construction are not depreciated.

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 recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

BISLEY OFFICE EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

1 Accounting policies

(Continued)

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

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 group 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 group after deducting all of its 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 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.

Derecognition of financial liabilities

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

BISLEY OFFICE EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

1 Accounting policies

(Continued)

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 if, and only if, there is 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.

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 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.

BISLEY OFFICE EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

1 Accounting policies (Continued)

1.16 Retirement benefits

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

1.17 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 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.

1.19 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.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Deferred tax asset

Details of the asset are provided in note 23 to the accounts. The carrying value of the deferred tax asset at the year end is £ 3,086,000 (2019: £2,219,000). The critical judgement relates to the group's ability to utilise the asset arising from tax losses against future taxable profits. The asset has increased in the current year due to losses as a result of Covid-19; the board expects to be able to utilise the asset as the company returns to profitability after the pandemic, therefore the board is satisfied that it's judgement to recognise the asset remains appropriate.

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****2 Judgements and key sources of estimation uncertainty****(Continued)****Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock valuation

At 31 July 2020 the group held stock of £6,257,000 (2019: £7,115,000). Stocks are valued at the lower cost and net realisable value. Cost includes the cost of materials, direct costs and production overheads using an appropriate absorption rate. This requires judgement. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment trends. This also involves significant judgement.

Carrying value of fixed assets

The group's fixed assets cost £88,832,000 (2019: £87,771,000) and had a carrying value of £24,713,000 at 31 July 2020 (2019: £26,766,000). The depreciation policy is set out at 1.8 above; depreciation of £2,695,000 was charged to the profit and loss account during the year (2019: £2,913,000). The estimation of useful economic life can have a significant impact on the depreciation charge and on the carrying value of assets; the board regularly reviews the asset lives based on past experience.

Impairment of intercompany balances in the company

The carrying value of receivables from group undertakings at the balance sheet date was £1,283,000 (2019: £4,995,000). Balances are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss account. The impairment loss is the difference between the asset's carrying amount and the best estimate of the recoverable amount at the reporting date. Impairment losses of £3,385,000 were recognised in the year (2019: £nil).

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020	2019
	£'000	£'000
Turnover analysed by class of business		
Turnover from sale of goods	71,428	93,203
	=====	=====
	2020	2019
	£'000	£'000
Other significant revenue		
Interest income	21	18
Grants received	2,057	-
Amortisation of capital grants	31	31
Rental income	456	504
	=====	=====

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

3 Turnover and other revenue **(Continued)**

	2020	2019
	£'000	£'000
Turnover analysed by geographical market		
United Kingdom	34,330	41,036
Other European countries	23,351	32,744
Rest of the world	13,747	19,423
	<u>71,428</u>	<u>93,203</u>

Government grants have been received in the year from Welsh Government as part of the Furlough scheme.

4 Operating (loss)/profit

	2020	2019
	£'000	£'000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	266	(25)
Government grants	(2,057)	-
Depreciation of owned tangible fixed assets	2,695	2,909
Depreciation of tangible fixed assets held under finance leases	-	4
Profit on disposal of tangible fixed assets	(31)	(30)
Amorisation of intangible assets	97	279
Loss on disposal of intangible assets	233	-
Cost of stocks recognised as an expense	36,155	48,285
Share-based payments	1	4
Operating lease charges	1,753	1,701
Capital based grants	(31)	(31)
Exceptional items (note 8)	1,088	337
	<u>1,088</u>	<u>337</u>

5 Auditor's remuneration

	2020	2019
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	4	4
Audit of the financial statements of the company's subsidiaries	49	49
	<u>53</u>	<u>53</u>

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****6 Employees**

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Production	501	544	2	2
Sales and distribution	156	159	1	1
Administration and management	58	54	7	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	715	757	10	8
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Wages and salaries	22,250	25,604	786	726
Social security costs	2,101	2,340	93	102
Pension costs	894	783	112	52
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	25,245	28,727	991	880
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included within the above are exceptional redundancy costs of £1,088,000 (2019: £122,000), refer to note 8. Also included within wages and salaries are subcontractors costs totalling £1,068,000 (2019: £1,689,000)

7 Directors' remuneration

	2020 £'000	2019 £'000
Remuneration for qualifying services	538	505
Company pension contributions to defined contribution schemes	94	49
Compensation for loss of office	355	-
	<u> </u>	<u> </u>
	987	554
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 3).

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****7 Directors' remuneration (Continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £'000	2019 £'000
Remuneration for qualifying services	350	174
Company pension contributions to defined contribution schemes	31	19
	<u> </u>	<u> </u>

8 Exceptional costs/(income) Group

	2020 £'000	2019 £'000
Redundancy costs	1,088	337
Impairment of loans and investments in associates	1,398	-
	<u> </u>	<u> </u>
Total exceptional items within operating profit	2,486	337
	<u> </u>	<u> </u>

During the year the group incurred redundancy costs of £1,088,000 (2019: £337,000) as part of its restructuring of operations & Covid-19 pandemic.

During the year the group made an impairment of £1,398,000 on loans and investments in associate undertakings.

Company	2020 £'000	2019 £'000
Impairment of loans & investments	693	-
Impairment of inter-company debts	3,385	-
	<u> </u>	<u> </u>
	4,078	-
	<u> </u>	<u> </u>

During the year the company made a provision of £3,385,000 against intercompany debt.

During the year the company made an impairment of £693,000 on loans and investments.

9 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	16	19
Other interest income	5	(1)
	<u> </u>	<u> </u>
Total income	21	18
	<u> </u>	<u> </u>

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****10 Interest payable and similar expenses**

	2020	2019
	£'000	£'000
Interest on bank overdrafts and loans	2	-
	==	==

11 Other gains and losses

	2020	2019
	£'000	£'000
Fair value gains/(losses) on financial instruments		
Change in the value of financial liabilities held at fair value through profit or loss	(76)	(294)
	==	==

12 Taxation

	2020	2019
	£'000	£'000
Current tax		
Adjustments in respect of prior periods	-	(18)
R&D tax credits	(135)	-
	---	---
Total UK current tax	(135)	(18)
Foreign current tax on profits for the current period	130	337
	---	---
Total current tax	(5)	319
	==	==
Deferred tax		
Origination and reversal of timing differences	(883)	28
Foreign exchange differences	16	-
	---	---
Total deferred tax	(867)	28
	==	==
Total tax (credit)/charge	(872)	347
	==	==

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

12 Taxation

(Continued)

The actual (credit)/charge 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	2019
	£'000	£'000
Loss before taxation	(7,772)	(266)
	=====	=====
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,477)	(51)
Tax effect of expenses that are not deductible in determining taxable profit	706	2
Tax effect of income not taxable in determining taxable profit	(84)	(1)
Tax effect of utilisation of tax losses not previously recognised	-	(17)
Unutilised tax losses carried forward	104	121
Adjustments in respect of prior years	-	(18)
Effect of change in corporation tax rate	(219)	(2)
Permanent capital allowances in excess of depreciation	-	(2)
Research and development tax credit	(43)	2
Effect of overseas tax rates	39	277
Deferred tax adjustments in respect of prior years	18	36
	=====	=====
Taxation (credit)/charge	(956)	347
	=====	=====
Taxation (credit)/charge in the financial statements	(872)	347
	=====	=====
<i>Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.</i>	(84)	-
	=====	=====

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****13 Intangible fixed assets**

Group	Goodwill	Development costs	Total
	£'000	£'000	£'000
Cost			
At 1 August 2019	1,614	147	1,761
Additions	-	86	86
Disposals	-	(233)	(233)
Exchange adjustments	(108)	-	(108)
	<u>1,506</u>	<u>-</u>	<u>1,506</u>
At 31 July 2020	1,506	-	1,506
Amortisation and impairment			
At 1 August 2019	1,510	-	1,510
Amortisation charged for the year	97	-	97
Exchange adjustments	(101)	-	(101)
	<u>1,506</u>	<u>-</u>	<u>1,506</u>
At 31 July 2020	1,506	-	1,506
Carrying amount			
At 31 July 2020	-	-	-
	<u>104</u>	<u>147</u>	<u>251</u>
At 31 July 2019	104	147	251

The company had no intangible fixed assets at 31 July 2020 or 31 July 2019.

The disposal in the year was in relation to a write off of development costs due to the product being unviable.

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

14 Tangible fixed assets

Group	Land and buildings	Assets under construction	Plant, machinery, press tools & motor equipment	Fixtures, furniture & office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 August 2019	24,312	40	53,876	10,604	88,832
Additions	-	65	108	620	793
Disposals	-	-	(87)	(166)	(253)
Transfers	-	(5)	-	5	-
Exchange adjustments	(25)	-	(8)	(68)	(101)
At 31 July 2020	24,287	100	53,889	10,995	89,271
Depreciation and impairment					
At 1 August 2019	7,738	-	46,590	7,740	62,068
Depreciation charged in the year	489	-	1,446	760	2,695
Eliminated in respect of disposals	-	-	(62)	(89)	(151)
Exchange adjustments	(1)	-	(3)	(50)	(54)
At 31 July 2020	8,226	-	47,971	8,361	64,558
Carrying amount					
At 31 July 2020	16,061	100	5,918	2,634	24,713
At 31 July 2019	16,575	40	7,286	2,865	26,766

The company had no tangible fixed assets at 31 July 2020 or 31 July 2019.

The carrying value of land and buildings comprises:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Freehold	13,079	13,448	-	-
Long leasehold	-	2,771	-	-
Short leasehold	291	355	-	-
	13,370	16,574	-	-

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

14 Tangible fixed assets

(Continued)

Land and buildings includes £2,725,000 (2018: £2,725,000) in respect of land which is not depreciated.

The group took advantage of the transitional provisions in Section 35 of FRS 102 to use a previous GAAP revaluation of property as its deemed cost. The group had similarly used the transition provisions in FRS 15 Tangible Fixed Assets and retained the book amounts of freehold land and buildings where revalued prior to implementation of that standard. The properties in Newport, South Wales were last revalued at 31 July 1989 by Powell, Tuck & Partners, Chartered Surveyors and the valuations have not subsequently been updated. Subsequent additions are stated at cost.

Comparable amounts for land and buildings determined according to historical cost convention at 31 July are:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cost	22,790	22,815	-	-
Accumulated depreciation	(8,226)	(7,738)	-	-
Historical cost net book value	14,564	15,077	-	-

15 Fixed asset investments

		Group		Company	
		2020	2019	2020	2019
	Notes	£'000	£'000	£'000	£'000
Investments in subsidiaries	16	-	-	1,695	1,705
Investments in associates	17	-	150	-	-
Listed investments		-	1	-	1
Loans		-	505	-	-
		-	656	1,695	1,706
Listed investments included above:					
Listed investments carrying amount		-	1	-	1

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

15 Fixed asset investments

(Continued)

Movements in fixed asset investments

Group	Shares in group undertakings and participating interests	Other investments other than loans	Other investments	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2019	150	1	505	656
Additions	50	-	-	50
Transfer	(200)	200	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 July 2020	-	201	505	706
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Impairment				
At 1 August 2019	-	-	-	-
Impairment losses	-	201	505	706
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 July 2020	-	201	505	706
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 July 2020	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 July 2019	150	1	505	656
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the year there was a reduction in the shareholding in the associate from 20% to 18.5%. There is deemed to be no significant influence and therefore is not regarded as an associate undertaking.

During the year all investments were deemed to be impaired and fully written off.

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

15 Fixed asset investments

(Continued)

Movements in fixed asset investments
Company

	Shares in group undertakings	Other investments other than loans	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2019 and 31 July 2020	1,705	1	1,706
	<u> </u>	<u> </u>	<u> </u>
Impairment			
At 1 August 2019	-	-	-
Impairment losses	10	1	11
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2020	10	1	11
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 July 2020	1,695	-	1,695
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2019	1,705	1	1,706
	<u> </u>	<u> </u>	<u> </u>

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****16 Subsidiaries**

The company holds, except as noted below, 100% of the issued share capital (and 100% of the voting rights) of the following principal subsidiary companies, all of which are included in these consolidated financial statements.

Name of undertaking	Registered office
Bisley BV	Vollerstratt 2, 5051 JV Goirle, Holland, The Netherlands
Bisley Direct Limited*	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
Bisley Espana SL	5 La calle Rodriguez Arias, 48008 Bilbao, Spain
Bisley GmbH	Wiesenstrass 70, 40549 Düsseldorf, Germany
Bisley Group Trustees Ltd	26 New Street, St Helier, JE3 3RA, Jersey
Bisley Inc	1140 Broadway Suite 902, New York 10001, USA
Bisley Industrial Storage Limited*	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
Bisley Innovation Limited	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
Bisley IP Limited***	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
Bisley Office Equipment DMCC	Jumeriah Business Centre 1, Jumeirah Lake Towers, Sheikh Zayed Road, Dubai, UAE
Bisley Office Furniture Ireland Limited	Unit B, Bray Business Park, Southern Cross Road, Bray Co. Wicklow, Ireland
Bisley Office Furniture Limited	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
Bisley SAS	Immeuble le Corosa, 1-3 rue Eugène et Armand Peugeot, 92500 Rueil-Malmaison, Paris, France
Bisley Two Limited***	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
F.C. Brown (Steel Equipment) Limited	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
GU249BJ Ltd	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
Humanspace Office Furnishing LLC*	Level 31, Media One Hotel, PO Box 502131, Dubai Media City, Dubai, UAE
Humanspace Office Furnishing Ltd	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
Network Commercial Systems Ltd*	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
TFP General Trading Limited	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom
TFP General Trading LLC*	Level 31, Media One Hotel, PO Box 502131, Dubai Media City, Dubai, UAE
Workspace Office Furniture LLC**	Level 31, Media One Hotel, PO Box 502131, Dubai Media City, Dubai, UAE
Yelsib Investments Limited***	Bisley Factory, Caswell Way, Reevesland Industrial Estate, Newport, NP19 4PW, United Kingdom

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****16 Subsidiaries****(Continued)**

* The company holds 100% indirectly.

** Workspace Office Furniture LLC is a Limited Liability Company based in the emirate of Dubai, UAE. As dictated by legislation Workspace Office Furniture LLC and its subsidiary companies have local sponsors who hold 51% of the shares. The companies have entered into agreements which give the group rights over 100% of the income and capital in exchange for an annual fee paid to the sponsors.

*** Yelsib Investments Limited, Bisley Two Limited and Bisley IP Limited are all indirect subsidiaries of Bisley Office Equipment Limited, being subsidiaries of Bisley Innovation Limited. The group has shareholdings of 95%, 60% and 78% respectively in these companies.

The subsidiaries are all engaged in the manufacture and sale of office furniture except; Network Commercial Systems Ltd which manufactures and installs fitted furniture; TFP General Trading Limited and Humanspace Office Furnishing Ltd whose principal activity is treasury management services; Bisley Group Trustees Ltd who act as a Trustee; Bisley Innovation Limited whose principal activity is that of a holding company for investments in technology companies; Yelsib Investments Limited whose principal activity is that of an investment company in workplace technologies; Bisley Two Limited whose principal activity is that of development of workplace technologies; and GU249BJ Ltd, Bisley Office Furniture Limited, Bisley Direct Limited and Bisley IP Limited who are dormant companies.

All shares in subsidiary companies are unlisted.

17 Associates

Details of associates at 31 July 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Evaclite Ltd	Quattro House Lyon Way, Frimley, Camberley, England, GU16 7ER	Ordinary	0	49

On 1 February 2020 the company acquired a 49% shareholding in Evaclite Ltd, a company which sells & distributes dynamic exit signs. Shares were purchased at par for consideration of £5.

18 Financial instruments

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	369	294	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

19 Stocks

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Raw materials and consumables	1,803	1,900	-	-
Work in progress	1,011	1,017	-	-
Finished goods and goods for resale	3,443	4,198	-	-
	<u>6,257</u>	<u>7,115</u>	<u>-</u>	<u>-</u>

20 Debtors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	9,202	18,932	-	-
Corporation tax recoverable	135	14	-	-
Amounts owed by group undertakings	-	-	1,283	4,995
Other debtors	1,708	1,984	199	453
Prepayments and accrued income	1,493	1,827	3	2
	<u>12,538</u>	<u>22,757</u>	<u>1,485</u>	<u>5,450</u>
Deferred tax asset (note 23)	3,086	2,219	-	-
	<u>15,624</u>	<u>24,976</u>	<u>1,485</u>	<u>5,450</u>

During the year the company made an impairment of £3,385,000 against inter-company debts, refer to note 8.

21 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	6,792	10,063	-	-
Amounts owed to group undertakings	-	-	2,253	6,628
Other taxation and social security	2,196	1,015	277	28
Derivative financial instruments	369	294	-	-
Other creditors	2,723	2,879	-	-
Accruals and deferred income	3,907	3,535	9	13
	<u>15,987</u>	<u>17,786</u>	<u>2,539</u>	<u>6,669</u>

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

22 Provisions for liabilities

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
	51	-	51	-
	<u>51</u>	<u>-</u>	<u>51</u>	<u>-</u>

Movements on provisions:

Group	£'000
Additional provisions in the year	371
Utilisation of provision	(320)
At 31 July 2020	<u>51</u>
	<u>51</u>
Company	£'000
Additional provisions in the year	371
Utilisation of provision	(320)
At 31 July 2020	<u>51</u>
	<u>51</u>

The provision is for a liability to a finance company as a result of Bisley Office Equipment Limited underwriting a loan for TES Media Group Limited.

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets	Assets
	2020	2019
	£'000	£'000
Group		
Accelerated capital allowances	471	374
Tax losses	2,298	1,631
Retirement benefit obligations	132	94
Other short term timing differences	185	120
	<u>3,086</u>	<u>2,219</u>
	<u>3,086</u>	<u>2,219</u>

The company has no deferred tax assets or liabilities.

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****23 Deferred taxation (Continued)**

	Group	Company
	2020	2020
	£'000	£'000
Movements in the year:		
Asset at 1 August 2019	(2,219)	-
Credit to profit or loss	(867)	-
	<u> </u>	<u> </u>
Asset at 31 July 2020	<u>(3,086)</u>	<u>-</u>

Deferred tax assets and liabilities are offset only where the group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity or another entity within the group.

There is no expiry date on timing differences, unused losses or tax credits.

The asset recognised is expected to reverse; it relates to the utilisation of tax losses against future expected profits and accelerated capital allowances that are expected to mature as well as other short term timing differences.

24 Retirement benefit schemes

	2020	2019
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	894	783
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end there were outstanding contributions of £695,000 (2019: £552,000).

BISLEY OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

25 Government grants

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Deferred government grants	117	148	-	-
	<u>117</u>	<u>148</u>	<u>-</u>	<u>-</u>
	117	148	-	-
	117	148	-	-

Deferred income is included in the financial statements as follows:

Shown as deferred income on the face of the balance sheet

	117	148	-	-
	<u>117</u>	<u>148</u>	<u>-</u>	<u>-</u>
	117	148	-	-
	117	148	-	-

In accordance with the accounting policy disclosed in note 1, amounts received by way of capital-based government grants during the year and the deferred income balance carried forward at 31 July are as follows:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At 1 August	179	210	-	-
Amounts received in the year	-	-	-	-
Less amounts credited to profit and loss account	(31)	(31)	-	-
	<u>148</u>	<u>179</u>	<u>-</u>	<u>-</u>
At 31 July	148	179	-	-
	148	179	-	-

26 Share-based payment transactions

Group

In prior periods share options were granted to eligible employees of the group; in total options over 17,395 shares were granted, no options were exercised. 14,000 options were outstanding as at 31 July 2020 (2019: 15,050). The options were exercisable based on certain performance criteria which have not been met hence the options have now lapsed.

The board is considering whether to issue new options or other arrangements to facilitate employee share participation.

The groups intention remains to transfer share ownership to eligible employees.

27 Share capital

	Group and company	
	2020	2019
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
150,000 ordinary A shares of 50p each	75	75
150,000 ordinary B shares of 50p each	75	75
	<u>150</u>	<u>150</u>
	150	150

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****27 Share capital****(Continued)**

The company has two classes of ordinary shares. Ordinary A shares do not hold any voting rights.

Of the above, 9,000 (2019: 6,000) ordinary A shares and 9,000 (2019: 6,000) ordinary B shares were held in treasury as at 31 July 2020 .

3,000 ordinary A shares and 3,000 ordinary B shares were purchased into treasury during the year ended 31 July 2020 for consideration of £300,000.

28 Operating lease commitments**Lessee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Within one year	548	1,729	-	-
Between two and five years	1,512	3,582	-	-
In over five years	875	1,162	-	-
	<u>2,935</u>	<u>6,473</u>	<u>-</u>	<u>-</u>
	<u><u>2,935</u></u>	<u><u>6,473</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Acquisition of tangible fixed assets	428	81	-	-
	<u>428</u>	<u>81</u>	<u>-</u>	<u>-</u>
	<u><u>428</u></u>	<u><u>81</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****30 Related party transactions**

The company has taken advantage of the exemption, under the terms of FRS 102, section 33.1A, from disclosing related party transactions with wholly owned subsidiaries within the group.

The remuneration of key management personnel of the group was £1,209,000 (2019: £745,000).

During the year the group made sales of £nil (2019: £8,000) and purchases of £3,000 (2019: £nil) to Bespoke Business Software Ltd, an associate of the group. At the year end the group was owed £nil (2019: £4,000) by Bespoke Business Software Ltd, this amount being included within trade debtors due within one year.

During the year the group paid management charges of £31,000 (2019: £nil) to Evacrite Ltd, an associate of the group. At the year end the group owed £31,000 (2019: £nil) to Evacrite Ltd, this amount being included within other creditors due within one year.

During the year the group paid management fees of £200,000 (2019: £230,000) to Exo Projects Limited, a shareholder of group companies Yelsib Investments Limited, Bisley Two Limited and Bisley IP Limited. These management fees are payable under the collaboration agreement entered into between Exo Projects Limited and group company Bisley Innovation Limited in respect of the management of these three companies. During the year the group also paid programme director fees of £nil (2019: £109,000) to Exo Projects Limited. At the year end the group owed £11,000 (2019: £57,000) to Exo Projects Limited, this amount being included within trade creditors due within one year.

During the year the group advanced a loan of £nil (2019: £58,000) to the F C Brown (Steel Equipment) Limited Retirement & Death Benefits Scheme. At the year end the group was owed £nil (2019: £58,000) by the F C Brown (Steel Equipment) Limited Retirement & Death Benefits Scheme, this amount being included within other debtors due within one year.

31 Controlling party

The ultimate controlling party is A C Brown.

32 Analysis of changes in net funds - group

	1 August 2019	Cash flows	Market value movements	31 July 2020
	£'000	£'000	£'000	£'000
Cash at bank and in hand	5,205	4,189	-	9,394
Borrowings excluding overdrafts	-	76	(76)	-
	<u>5,205</u>	<u>4,265</u>	<u>(76)</u>	<u>9,394</u>

BISLEY OFFICE EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****33 Cash generated from group operations**

	2020	2019
	£'000	£'000
Loss for the year after tax	(6,900)	(613)
Adjustments for:		
Taxation (credited)/charged	(872)	347
Finance costs	2	-
Investment income	(21)	(18)
Gain on disposal of tangible fixed assets	(31)	(30)
Loss on disposal of intangible assets	233	-
Fair value loss on foreign exchange contracts	76	294
Amorisation and impairment of intangible assets	97	279
Depreciation and impairment of tangible fixed assets	2,695	2,913
Impairment of investments	711	-
Equity settled share based payment expense	1	4
Increase in provisions	51	-
Amorisation of grant	(31)	(31)
Foreign exchange movements	53	1
Movements in working capital:		
Decrease in stocks	858	307
Decrease/(increase) in debtors	10,340	(2,280)
Decrease in creditors	(1,875)	(136)
Cash generated from operations	5,387	1,037

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