Company Registration No. 00876775 (England and Wales)

E.JORDON (REFRIGERATION) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

E.JORDON (REFRIGERATION) LIMITED

COMPANY INFORMATION

Directors	P E Jordon G E Jordon
Secretary	P E Jordon
Company number	00876775
Registered office	Refrigeration House Quebec Street Oldham Lancashire OL9 6QL
Auditor	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD
Business address	Refrigeration House Quebec Street Oldham Lancashire OL9 6QL
Bankers	National Westminster Bank plc 1035 Oldham Road Newton Heath Manchester M40 2NW

E.JORDON (REFRIGERATION) LIMITED

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E.JORDON (REFRIGERATION) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Fair review of the business
The directors note the impact Covid-19 has had on the business both in terms of turnover and profitability, which like many businesses has resulted in a loss for the year. Fortunately, prior to Covid the business was in a strong financial position, so it has been able to withstand the short term impact that all businesses suffered from Covid-19.

The directors took the decision to keep as many staff as possible fully employed to enable it to continue to provide the best possible support to the business's customers at such a difficult time. This inevitably caused a detrimental effect on the profitability of the business. In addition, the business was hit with project delays due to Covid-19, which were not able to be passed onto the customers and also significantly affected the results for the year.

The business took advantage of Government support throughout 2020 both in terms of some utilisation of the Furlough scheme and the use of CBILS funding.

Business levels improved towards the end of 2020, which has resulted in the business returning to profitable trading in 2021, with current expectations showing turnover increasing ahead of 2019 levels.

Principal risks and uncertainties
Whilst the company takes a responsible and balanced approach towards risk management it also recognises that risk is an inherent part of doing business and, as with all other businesses, some necessary risks may be beyond its control. The company benefits from a strong market reputation and goodwill, and its strategic objective is to build on this, increase services to both existing and new customers and provide enhanced quality solutions which assist customers with their needs.

The COVID-19 pandemic impacted trading conditions in 2020, but the company continued to operate throughout the year and management worked closely with both customers and suppliers to ensure continuity of the company's trade. The company took advantage of the available government support to maintain its financial position and protect the company's cash flows as needed. The directors consider that they have taken all necessary steps to date, and will continue to do so, to ensure the company is in a good financial position through this period of uncertainty.

Liquidity risk
The company aims to mitigate liquidity risk by closely managing cash generation by its operating business and monitoring performance. Capital investment is closely controlled with authorisation up to Director level.

Interest rate risk
The company's exposure to changes in market interest rates relate primarily to the company's overdraft facility with a variable interest rate. The company does not consider this to be a significant financial risk as the bank overdraft is not significant and therefore interest rate fluctuations would be fairly minimal.

Foreign currency risk
The company trades primarily in the UK and as such the level of foreign currency risk is quite low.

Credit risk
It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The company only offers terms to recognised creditworthy third parties. In addition, receivables balances are monitored on an ongoing basis, along with debtor days, and action is taken promptly when payment terms are breached.

Price risk
The company aims to pass on any price increases to its customers where appropriate to try and reduce its exposure to price risk.

E.JORDON (REFRIGERATION) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

P E Jordon
Director
24 September 2021

E.JORDON (REFRIGERATION) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities
The principal activity of the company continued to be that of selling and installation of refrigeration units.

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £162,000. 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:

P E Jordon
G E Jordon

Auditor
The auditor, Jackson Stephen LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
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;
- 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.

Strategic report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

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.

E.JORDON (REFRIGERATION) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

P E Jordon
Director

24 September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF E.JORDON (REFRIGERATION) LIMITED

Opinion

We have audited the financial statements of E.Jordon (Refrigeration) Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the balance sheet 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.

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 included within the Directors' Report, 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.

Based on our understanding of the company and sector, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 2006, UK tax, employment, pension and health and safety legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims, their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- obtaining an understanding of provisions and holding discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.

Jackson Stephen LLP

Christopher Moss BSc F.C.A. (Senior Statutory Auditor)
For and on behalf of Jackson Stephen LLP

29/09/2021

Chartered Accountants
Statutory Auditor

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

E.JORDON (REFRIGERATION) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	21,305,672	25,362,334
Cost of sales		(20,322,174)	(22,108,346)
Gross profit		983,498	3,253,988
Distribution costs		(884,388)	(1,016,142)
Administrative expenses		(2,233,367)	(1,923,959)
Other operating income		299,568	-
Operating (loss)/profit	4	(1,834,689)	313,887
Interest receivable and similar income	8	-	12
Interest payable and similar expenses	9	(42,154)	(26,213)
(Loss)/profit before taxation		(1,876,843)	287,686
Tax on (loss)/profit	10	245,781	(38,593)
(Loss)/profit for the financial year		(1,631,062)	249,093
Retained earnings brought forward		3,996,057	3,907,502
Dividends	11	(162,000)	(160,538)
Retained earnings carried forward		2,202,995	3,996,057

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are continuing operations.

E.JORDON (REFRIGERATION) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	12		1,275,845		1,250,126
Current assets					
Stocks	13	1,547,220		1,906,547	
Debtors	14	5,402,362		4,810,433	
Cash at bank and in hand		669,661		218,842	
		7,619,243		6,935,822	
Creditors: amounts falling due within one year	15	(6,335,047)		(3,718,186)	
Net current assets			1,284,196		3,217,636
Total assets less current liabilities			2,560,041		4,467,762
Creditors: amounts falling due after more than one year	16		(356,936)		(370,745)
Provisions for liabilities					
Deferred tax liability	19	-		100,850	
			-		(100,850)
Net assets			2,203,105		3,996,167
Capital and reserves					
Called up share capital	21		110		110
Profit and loss reserves	22		2,202,995		3,996,057
Total equity			2,203,105		3,996,167

The financial statements were approved by the board of directors and authorised for issue on 24 September 2021 and are signed on its behalf by:

P E Jordon
Director

G E Jordon
Director

Company Registration No. 00876775

1 Accounting policies

Company information

E.Jordon (Refrigeration) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Refrigeration House, Quebec Street, Oldham, Lancashire, OL9 6QL.

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 on the historical cost convention. 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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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' – Carrying amounts, 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 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of E Jordon Holdings Limited. These consolidated financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

1.2 Going concern

Despite the company's recorded loss for the year ended 31 December 2020 the company still had net current assets and a significant cash balance at the balance sheet date. Trading in 2021 has returned to profitability and the directors are satisfied that at the time of approving the financial statements, 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 amounts receivable for the sale and installation of refrigeration units provided by the balance sheet date, net of VAT and trade discounts.

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 Accounting policies **(Continued)**

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.4 Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2% per annum straight line basis
Plant and machinery	25% per annum reducing balance basis
Fixtures, fittings & equipment	25% per annum reducing balance basis
Motor vehicles	25% per annum reducing balance basis

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 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.

1.6 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.

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.

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1 Accounting policies **(Continued)**

1.8 Cash at bank and in hand

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.

1.9 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.

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.

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.

Derecognition of financial liabilities

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

1.10 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.

1.11 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.

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 Accounting policies **(Continued)**

1.12 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.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 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 income 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 lease asset are consumed.

1.15 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.

1.16 Comparatives

The comparative figures have been amended to reallocate £454,858 of salary costs from cost of sales to administrative expenses to better reflect the nature of the expense. There has been no impact on the prior year result or brought forward reserves.

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.

The critical estimates made by the directors in preparing these financial statements relate to the assessment of the useful economic lives of the company's tangible fixed assets when determining the appropriate depreciation policies as disclosed in note 1.4, their assessment of the required level of stock and debtor provisions to ensure that the company's assets are included at the correct carrying amount at the balance sheet date, their assessment of the provision on warranties on the sales of goods and their assessment of the level of accrued income and amounts recoverable on contracts included in the balance sheet at the year end.

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover analysed by class of business		
Selling and installation of refrigeration units	21,305,672	25,362,334

	2020	2019
	£	£
Other significant revenue		
Interest income	-	12
Grants received	299,568	-

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	21,273,059	25,362,334
Europe	32,613	-
	21,305,672	25,362,334

4 Operating (loss)/profit

Operating (loss)/profit for the year is stated after charging/(crediting):	2020 £	2019 £
Government grants	(299,568)	-
Depreciation of owned tangible fixed assets	151,173	151,801
Depreciation of tangible fixed assets held under finance leases	50,893	60,216
(Profit)/loss on disposal of tangible fixed assets	(812)	6,958
Operating lease charges	-	6,239

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2020 £	2019 £
For audit services		
Audit of the financial statements of the company	7,950	7,800
For other services		
All other non-audit services	1,490	8,562

6 Employees

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

	2020 Number	2019 Number
Administration	32	32
Fitting and servicing	81	81
Total	113	113

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	4,266,781	4,190,553
Social security costs	464,602	457,432
Pension costs	106,958	130,502
	4,838,341	4,778,487

7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	5,281	6,521

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

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	-	12

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	35,615	20,122
Other finance costs:		
Interest on finance leases and hire purchase contracts	6,539	6,091
	42,154	26,213

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	(144,931)	30,356
Adjustments in respect of prior periods	-	(19,472)
Total current tax	(144,931)	10,884
Deferred tax		
Origination and reversal of timing differences	(100,850)	27,709
Total tax (credit)/charge	(245,781)	38,593

10 Taxation (Continued)

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

	2020	2019
	£	£
(Loss)/profit before taxation	(1,876,843)	287,686
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(356,600)	54,660
Tax effect of expenses that are not deductible in determining taxable profit	-	1,947
Tax effect of utilisation of tax losses not previously recognised	110,819	-
Adjustments in respect of prior years	-	(19,472)
Effect of change in corporation tax rate	-	1,458
Taxation (credit)/charge for the year	(245,781)	38,593

The UK corporation tax rate of 17% announced in the 2017 Budget (and due to apply from 1 April 2020) was revised in the 2020 Budget to 19%. The 19% was substantively enacted on 11 March 2020 and deferred tax has been calculated at this rate. A UK corporation tax rate of 25% was announced in the Chancellor's Budget of 3 March 2021, along with a temporary extension to the loss carry-back rules allowing up to £2m of tax losses to be carried back to the preceding 3 periods. The 25% rate will apply from 1 April 2023 and the carry-back of losses is expected to apply to year ends 31 December 2020 and 31 December 2021. At 31 December 2020 the group had taxable losses of £1,163,000 to carry forward and offset against future taxable profits.

11 Dividends

	2020	2019
	£	£
Interim paid	162,000	160,538

12 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	806,346	315,963	219,335	1,178,031	2,519,675
Additions	135,972	-	310	111,928	248,210
Disposals	-	-	-	(66,258)	(66,258)
At 31 December 2020	942,318	315,963	219,645	1,223,701	2,701,627
Depreciation and impairment					
At 1 January 2020	265,044	280,850	191,397	532,258	1,269,549
Depreciation charged in the year	17,697	10,243	2,003	172,123	202,066
Eliminated in respect of disposals	-	-	-	(45,833)	(45,833)
At 31 December 2020	282,741	291,093	193,400	658,548	1,425,782
Carrying amount					
At 31 December 2020	659,577	24,870	26,245	565,153	1,275,845
At 31 December 2019	541,302	35,113	27,938	645,773	1,250,126

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020	2019
	£	£
Motor vehicles	207,052	203,115

13 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	1,547,220	1,906,547

14 Debtors

	2020	2019
Amounts falling due within one year:	**£**	**£**
Trade debtors	3,997,440	2,193,587
Gross amounts owed by contract customers	337,084	203,367
Corporation tax recoverable	190,351	45,420
Other debtors	286,341	165,394
Prepayments and accrued income	591,146	2,202,665
	5,402,362	4,810,433

15 Creditors: amounts falling due within one year

		2020	2019
	Notes	**£**	**£**
Bank loans	**17**	46,600	50,857
Obligations under finance leases	**18**	40,192	66,671
Trade creditors		4,137,682	2,716,911
Corporation tax		95,123	56,304
Other taxation and social security		921,347	388,392
Other creditors		68,931	52,919
Accruals and deferred income		1,025,172	386,132
		6,335,047	3,718,186

16 Creditors: amounts falling due after more than one year

		2020	2019
	Notes	**£**	**£**
Bank loans and overdrafts	**17**	254,324	296,667
Obligations under finance leases	**18**	102,612	74,078
		356,936	370,745

Amounts included above which fall due after five years are as follows:

	2020	2019
Payable by instalments	50,896	93,239

17 Loans and overdrafts

	2020	2019
	£	£
Bank loans	300,924	347,524
Payable within one year	46,600	50,857
Payable after one year	254,324	296,667

The bank loan is secured by a general debenture over the assets of the company as well as a first legal charge over the company's freehold land and buildings. The loan carries a variable interest rate at 2.5% above the bank base rate and is repayable in equal monthly instalments. The loan matures in 2026.

18 Finance lease obligations

	2020	2019
Future minimum lease payments due under finance leases:	£	£
Within one year	40,192	66,671
In two to five years	102,612	74,078
	142,804	140,749

Finance lease payments represent rentals payable by the company for motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Obligations under finance lease are secured on the assets to which they relate.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020	Liabilities 2019
Balances:	£	£
Accelerated capital allowances	121,220	100,850
Tax losses	(121,220)	-
	-	100,850

19 Deferred taxation (Continued)

Movements in the year:	2020 £
Liability at 1 January 2020	100,850
Credit to profit or loss	(100,850)
Liability at 31 December 2020	-

20 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	106,958	130,502

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.

21 Share capital

Ordinary share capital	2020 Number	2019 Number	2020 £	2019 £
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
Ordinary non-voting 'A' shares of £1 each	10	10	10	10
	110	110	110	110

22 Profit and loss reserves

Profit and loss reserves - includes all current and prior period retained profit and losses net of distributions to shareholders.

23 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in respect of a supply agreement guaranteed by the company's bankers. The amount of the guarantee is £300,000 (2019: £300,000) in respect of which the contingent liability exists.

24 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
P E Jordon - loan account	-	139,755	330,695	(266,032)	204,418
		139,755	330,695	(266,032)	204,418

25 Ultimate controlling party

The company is a wholly owned subsidiary of E Jordon Holdings Limited, a company incorporated in England and Wales and the company's ultimate parent undertaking. Copies of the consolidated financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The company has been ultimately controlled by P E Jordon, a director of the company, throughout the year.