WILLIAM COOK INTERMODAL LIMITED
- PARENT COMPANY FINANCIAL STATEMENTS
TO SUPPORT AUDIT EXEMPTION pg. 35

William Cook Holdings Limited

Annual report and consolidated financial statements

Registered number 3283010

For the year ended 27 June 2020

Contents

Company information

Board of Directors

Sir Andrew Cook CBE
William James Cook
Christopher Seymour

Company Secretary

Michael Hodgson FCA

Registered Office

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Auditor

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Bankers

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Chairman's Report

The year ending June 2020 showed a continuing improvement in financial performance. Despite the incipient difficulties caused by the pandemic of Chinese origin known as 'Covid 19', overall sales and profits increased. This growth was mainly due to robust activity in the defence sector, assisted by our substantial investment programme enhancing our in-house capabilities. In contrast, and despite great efficiency improvements, the rail sector, after a robust start to the year, suffered an immediate downturn at the onset of the pandemic, with London Underground, a significant customer, reporting revenue reduction of a massive 90%. When people stop travelling by train, the rail companies stop investing, and the knock-on effect on businesses such as ours which depend on new and refurbished trains for their livelihood is obvious. Although less adversely affected than our rail business, our industrial business based at Sheffield also suffered from a reduction in orders, chiefly due to the temporary collapse in oil prices at the outset of the pandemic.

Despite these setbacks, active management, tight cost control and a continuing focus on the long-term development of the businesses have carried us through the eye of the pandemic hurricane. Whilst never so confident as to guarantee an exclusively bright future, we have a plan, and we are sticking to it. The current calendar year should see the completion of the long-running programmes of modernisation and expansion at all three plants, together with the acquisition and integration of certain satellite operations. With its strong balance sheet, cash reserves and clear focus, I believe the William Cook group is well set up for the forthcoming decade.

The main cloud on the horizon remains China. This Asian nation, the source of the Covid nightmare, has also, by its sustained and manipulative dumping practices across a vast range of products, blown great holes in the British supply chain. As a consequence, essential components for the engineering industry in some cases have become difficult or even impossible to obtain from non-Chinese sources. Erratic and inferior Chinese quality control render Chinese-made goods unacceptable for any safety-critical component, at least to the William Cook group, where the quality and reliability of our products is of paramount importance. We are working flat out to plug potential gaps in our supply chain by greatly extending our own manufacturing capabilities and, where unavoidable, creating a 'cluster' of reliable sub-contractors in Continental Europe, the Americas and the Antipodes.

It is too early to pass judgement on the effect of Brexit, such has been the camouflaging effect of Covid. It is comforting to have a government that does at last seem to believe in using taxpayers' money where possible to 'Buy British' as well as to understand that its electoral power-base now resides in what remains of the manufacturing North. Irrespective, the William Cook group will remain faithful to my over-riding maxim of the past 50 years. In whatever business we choose to be in, we will be the best.

Parkway Avenue
Sheffield, England
S9 4UL

Sir Andrew Cook
Chairman

25 June 2021

Strategic Report

Principal activities

The Group's principal activity during the period was the design and manufacture of engineering components and assemblies primarily comprising steel castings. The parent company continues to act as a holding company.

Business review and results

The operating performance during the period improved significantly. The global trading environment remains particularly difficult; however, the directors continue to pursue improvements, both operationally and financially, and are pleased to report an increase in both sales and profitability compared with the previous year.

Group turnover increased from £56,335,000 in the year ended 29 June 2019 to £57,315,000 in the year ended 27 June 2020.

Gross profit was £16,749,000 in the year ended 27 June 2020 against £12,095,000 in the year ended 29 June 2019. The gross profit margin in the current year was 29.2% compared with 21.5% achieved in the prior period.

Overheads, excluding exceptional items, were £9,392,000 in the current period, compared with £8,741,000 in the year ended 29 June 2019. Exceptional costs for the current year are £337,000 (2019: £nil).

The operating profit for the year was £7,445,000 compared with an operating profit of £3,354,000 in the prior period.

The profit before taxation for the year was £6,895,000 compared with a profit before tax of £3,493,000 in the prior period.

There was a cash inflow from operating activities of £1,711,000 in the year ended 27 June 2020 compared with a £9,930,000 inflow in the prior year. This difference is explained in notes 18 and 27.

Balance sheet

Consolidated shareholders' funds are £47,145,000 at 27 June 2020 compared to £49,011,000 at 29 June 2019. This reflects the purchase of the Company's own shares for £6,772,000 during the year.

Key performance indicators

Group management monitors the performance of the operations compared to budget and forecast.

KPIs monitored daily are:

- Production volume and value
- Sales volume and value
- Quality (scrap and rework)
- Order intake

KPIs monitored weekly and monthly are the above plus:

- Health and safety (accidents per 100,000 hours)
- Profit and cash generation
- Man hours per tonne
- Labour cost per tonne
- Overtime and absenteeism
- Delivery performance
- Forward order outlook

Strategic report *(continued)*

Principal risks and uncertainties

The most significant risks to the Group's profitability are:

- Poor management
- Structural changes in principal markets
- Any impediments to access to the Single European Market
- Chronic excess capacity in the industry causing below cost pricing.

Financial risk management policies and objectives

Exposure to credit and currency risk arises in the normal course of the Group's business. The Group manages financial risk within its general risk management philosophy and framework.

No significant financial instruments were traded by the Group in the period *(2019: none)*.

Credit risk

The Group has credit management policies in place and exposure to credit risk is monitored. Investment of surplus cash balances is only in short term deposits.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet and the related risk for trade debtors is spread over many customers.

Interest rate risk

The Group's debt comprises fixed rate related party loans. The Group may use interest rate swaps to manage interest rates wherever there is a perceived foreseeable long-term cash benefit available. No swaps were used during the period *(2019: none)*.

Currency risk

The Group maintains a policy of utilising forward foreign exchange contracts when considered appropriate to eliminate currency risk.

Future developments

The directors remain confident about the long-term prospects for the Group. Great effort is being made to focus on stable or growing markets attracting high added value and with a correspondingly lower casting content. Substantial capital investment continues to be made to improve efficiency and broaden capability.

At the year end the international economic environment remained uncertain. Notwithstanding this, the directors believe the Group to be on a positive trajectory, and look forward to meeting present and future challenges from a position of strength.

Section 172(1) Statement

The board of directors consider that both individually and together for the year ended 27 June 2020 they have acted in the way they consider, in good faith, would be the most likely to promote the success of the Company and the Group for the benefit of its members as a whole and having regard to the matters set out in s17 (1) (a-f) as below:

- The likely consequences of any decision in the long term;
- The interests of the Company's and the Group's employees;
- The need to foster the Company's and the Group's business relationships with suppliers, customers and others;
- The impact of the Company's and the Group's operations on the community and the environment;
- The desirability of the Company and the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the company.

Strategic report *(continued)*

Section 172(1) Statement *(continued)*

The directors make decisions by taking their legal duty into account and also the priorities and requirements of the stakeholders.

The likely consequences of any decision in the long term

The directors have regard to the likely consequences of their decisions on the long term objectives and sustainability of the Company and the Group, its stakeholders and the community whilst also preserving its values and culture. With this in mind, when a dividend is proposed it is important to confirm the availability of distributable reserves whilst also considering cash requirements for future investment and without prejudicing the position of other creditors. We are a business built on our standards and reputation and would not take a decision which would have a detrimental impact on this whether in the short term or the long term. We are dedicated to ensuring we maintain our culture whilst achieving our purpose.

The interests of the Company's and the Group's employees

Our employees are key so it is very important that they have the right attitude and the drive to create ideas and set high standards. All employees are encouraged to be honest and regular discussions are held with employees. The directors make an effort to visit our locations to talk to the employees which gives them the opportunity to hear their ideas and see first-hand where any improvements can be made.

The need to foster the Company's and the Group's business relationships with suppliers, customers and others.

We carry out our business with similar-minded people who we like and build on this to forge strong and lasting partnerships which is important for our long-term success.

The impact of the Company's and the Group's operations on the community and the environment.

We are proud to be part of the local and wider communities. It is our aim to create opportunities to recruit and develop local people and to understand the local issues that are important to the community and what we can do to support it.

The desirability of the Company and the Group maintaining a reputation for high standards of business conduct.

All new employees get a New Starter Pack which documents our history, standards, equal opportunities and training programme (among other things). All employees have easy access to our Operating Procedures and Codes of Conduct and understand the requirement for them to comply with the Company's high standards of business conduct at all times. Any issues of non-compliance with any of our policies can be dealt with in confidence.

The need to act fairly between members of the Company.

The company aims to act with integrity and courtesy in all of its business relationships and will consider all members and stakeholders when making decisions for the overall good of the Company and the Group.

By order of the board

Parkway Avenue
Sheffield
S9 4UL

Christopher Seymour
Director

25 June 2021

Directors' report

The directors submit their report and the audited accounts for the year ended 27 June 2020.

Financial assets

The Group's financial assets as at 27 June 2020 included interest bearing cash balances of £10,753,000 *(2019: £19,718,000)*.

There was no difference between the carrying value and the fair value of financial assets as at the period end *(2019: no difference)*.

Financial liabilities

The Group's financial liabilities as at 27 June 2020 included other loans of £2,788,000 *(2019: £788,000)* and shareholder loan stock of £nil *(2019: £1,850,000)*.

There was no difference between the carrying value and the fair value of financial liabilities as at the period end *(2019: no difference)*.

Dividends

Dividends paid in the current period total £614,312 as set out below:

Class of share			**Dividend**	**Total dividend**
				£
C2a	Interim – 27. 6.2020	(paid 2 July 2019)	£50,000	50,000
C1	Interim – 27. 6.2020	(paid 12 September 2019)	EUR 33,671	30,610
C1	Interim – 27. 6.2020	(paid 3 April 2020)	CHF 40,281	33,702
C1	Interim – 27. 6.2020	(paid 3 April 2020)	£500,000	500,000
				614,312

Directors

The following directors held office during the whole of the period from 30 June 2019 to the date of this report:

Sir Andrew Cook CBE

William Cook

Christopher Seymour

Sir Andrew Cook holds 29,711,375 *(2019: 36,624,720)* ordinary shares in the company at the end of the period, including those shares held by him as trustee of his family trusts and pension scheme.

None of the directors had any interest in the shares of other Group companies.

Employees

It is the policy of the Group to employ disabled persons wherever circumstances permit and provide normal opportunities for their training, promotion and career development. The Group's policy includes, where practicable, the continued employment of those who may become disabled during their employment.

The Group considers it is important that employees are kept informed on all aspects of its affairs as far as the needs of communication and financial confidentiality will allow.

Directors' report *(continued)*

Payments to suppliers

For all trade creditors it is the Group's policy to agree the terms of payment at the start of business with that supplier. The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

Political and charitable donations

During the period, the Group made political donations of £51,000 *(2019:* £nil*)* and charitable donations amounting to £20,797 *(2019:* £11,530*)*.

Withdrawal of the UK from the EU

The effect of Brexit on our trade with the single market has yet to be fully apparent, owing primarily to the overlaying impact of the pandemic. What has already emerged is that sales to the EU are subject to a higher level of bureaucracy, and this can cause short delays. However, underlying demand for our products remains largely unaffected. Our supplies of raw materials and component parts from the EU are also subject to similar considerations, but here the main concern is capability rather than speed and/or bureaucracy.

The impact of uncertainties due to the Covid-19 coronavirus

Much of the adverse impact of the pandemic has been masked by the Government's generous furlough scheme and VAT holidays. It remains to be seen whether the depressed demand caused by the pandemic recovers sufficiently to absorb the impact of these being ended.

Energy and carbon reporting

Following location based methodology 9,000 kWh of scope 2 energy and 65,000 kWh of scope 1 natural gas has been consumed in relation to the Company's UK premises, resulting in 14,050 kgCO2e. During the year no specific steps were taken to lower energy consumption. Emissions per employee have been considered to be an appropriate intensity ratio - average emissions per employee for the year was 1,277 kgCO2e and the Company aims to lower this where possible in future.

With the assistance of a grant from the Industrial Energy Transformation Fund the Company has commenced an energy efficiency feasibility study which will benefit the Company and the wider William Cook group.

Directors' indemnity provisions

The directors' benefit from qualifying third-party indemnity provisions in place during the financial period and at the date of this report.

Disclosure of information to auditor

The directors who hold office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, a resolution for the reappointment of Mazars LLP as auditor of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board

Parkway Avenue
Sheffield
S9 4UL

Christopher Seymour
Director

25 June 2021

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

MAZARS

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Independent auditor's report to the members of William Cook Holdings Limited

Opinion

We have audited the financial statements of William Cook Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 27 June 2020 which comprise the Consolidated Profit and Loss Account, Group and Company Balance Sheets, Consolidated Cash Flow Statement, Group and Company Statements of Changes in Equity 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 of the parent company's affairs as at 27 June 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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.

Independent auditor's report to the members of William Cook Holdings Limited
(continued)

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 the 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 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 or the Directors' Report.

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

- adequate accounting records have not been kept 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 set out on page 9, 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.

Independent auditor's report to the members of William Cook Holdings Limited
(continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit 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.

S. L

Shaun Mullins (Jun 28, 2021 09:47 GMT+1)

Shaun Mullins (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Statutory Auditor
Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: Jun 28, 2021

Consolidated profit and loss account
For the year ended 27 June 2020

	Notes	27 June 2020 £000	29 June 2019 as restated £000
Group turnover	4	**57,315**	56,335
Cost of sales		**(40,566)**	(44,240)
Gross profit		**16,749**	12,095
Net operating expenses			
Operating costs	5	**(9,392)**	(8,741)
Exceptional operating costs	5	**(337)**	-
		(9,729)	(8,741)
		7,020	3,354
Other operating income	6	**425**	-
Group operating profit		**7,445**	3,354
(Loss)/profit on disposal of fixed assets		**(549)**	219
Profit on ordinary activities before interest		**6,896**	3,573
Net interest and similar charges payable	9	**(1)**	(80)
Profit on ordinary activities before taxation		**6,895**	3,493
Taxation	10	**(1,375)**	(608)
Profit for the financial period		**5,520**	2,885

The group has no items of other comprehensive income and therefore no separate statement of comprehensive income has been presented.

Notes on pages 18-38 form part of the financial statements.

Balance sheets
at 27 June 2020

	Note	Group		Company	
		June 2020	June 2019	**June 2020**	June 2019
		£000	£000	**£000**	£000
Fixed assets					
Intangible assets	*13*	**4,545**	5,257	**-**	-
Tangible assets	*14*	**25,695**	30,660	**745**	749
		30,240	35,917	**745**	749
Investment in subsidiaries and other investments	*15*	**30**	47	**30,430**	30,430
		30,270	35,964	**31,175**	31,179
Current assets					
Stocks	*16*	**9,167**	6,648	**-**	-
Debtors	*17*	**15,314**	12,227	**10,438**	9,981
Cash at bank and in hand		**10,753**	19,718	**6,639**	10,446
		35,234	38,593	**17,077**	20,427
Creditors: amounts falling due within one year	*18*	**(17,871)**	(25,002)	**(4,957)**	(5,759)
Net current assets		**17,363**	13,591	**12,120**	14,668
Total assets less current liabilities		**47,633**	49,555	**43,295**	45,847
Provisions for liabilities and charges	*20*	**(488)**	(544)	**-**	-
Net assets		**47,145**	49,011	**43,295**	45,847
Capital and reserves					
Called up share capital	*21*	**298**	366	**298**	366
Share premium account	*22*	**15,591**	15,591	**15,591**	15,591
Capital redemption reserve	*22*	**1,483**	1,415	**1,483**	1,415
Revaluation reserve	*22*	**2,277**	2,277	**-**	-
Profit and loss account	*22*	**27,496**	29,362	**25,923**	28,475
Shareholders' funds		**47,145**	49,011	**43,295**	45,847

These financial statements were approved by the board of directors on 25 June 2021 and were signed on its behalf by:

Christopher Seymour
Director

Notes on pages 18-38 form part of the financial statements

Consolidated cash flow statement

For the year ended 27 June 2020

	Note	27 June 2020 £000	27 June 2020 £000	29 June 2019 £000	29 June 2019 £000
Cash inflow from operating activities	*18 &27*		1,711		9,930
Returns on investments and servicing of finance					
Interest received		73		84	
Interest paid					
On shareholder loan stock		(86)		(399)	
On other loans		-		(71)	
Other interest		(8)		(5)	
Franked investment income		6		3	
Net cash outflow from returns on investments and servicing of financing			(15)		(388)
Taxation (paid)/refunded			(820)		155
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(3,125)		(3,382)	
Purchase of own shares		(6,772)		(1,000)	
Sales of tangible fixed assets		42		2,717	
			(9,855)		(1,665)
Disposals					
Sale proceeds of subsidiaries		64		-	
Cash eliminated at disposal		(374)		-	
Net cash outflow from disposals			(310)		-
Equity dividends paid			(614)		(3,345)
Net cash (outflow)/inflow before financing			(9,903)		4,687
Financing ***(Being repayments of debt and capital)***					
Repayment of borrowings		-		(1,200)	
Repayment of borrowings – shareholder loans		(1,850)		(1,600)	
Increase in borrowings – new loans		2,788		-	
Net cash inflow/(outflow) from financing			938		(2,800)
(Decrease)/increase in cash			(8,965)		1,887

Reconciliation of net cash flow to movement in net cash

	Note	2020 £000	2019 £000
(Decrease)/increase in cash		(8,965)	1,887
Cash flow from change in cash		(938)	2,800
Change in net cash resulting from cash flows	*28*	(9,903)	4,687
Net funds at 30 June 2019		17,868	13,181
Net funds at 27 June 2020		7,965	17,868

Notes on pages 18-38 form part of the financial statements

Group statement of Changes in Equity
For the year ended 27 June 2020

	Called up Share capital	Retained earnings	Capital redemption reserve	Share Premium account	Revaluation reserve	Total equity
	£000	£000	£000	£000	£000	**£000**
Balance at 30 June 2018	376	30,822	1,405	15,591	2,277	50,471
Changes in equity						
Total comprehensive income	-	2,885	-	-	-	**2,885**
Dividends	-	(3,345)	-	-	-	**(3,345)**
Purchase of own shares	-	(1,000)	-	-	-	**(1,000)**
Cancelled shares	(10)	-	10	-	-	-
Balance at 29 June 2019	366	29,362	1,415	15,591	2,277	**49,011**
Changes in equity						
Total comprehensive income	-	5,520	-	-	-	**5,520**
Dividends	-	(614)	-	-	-	**(614)**
Purchase of own shares	-	(6,772)	-	-	-	**(6,772)**
Cancelled shares	(68)	-	68	-	-	-
Balance at 27 June 2020	298	27,496	1,483	15,591	2,277	**47,145**

Notes on pages 18-38 form part of the financial statements

Company statement of Changes in Equity

For the year ended 27 June 2020

	Called up Share capital	Retained earnings	Capital redemption reserve	Share Premium account	Total equity
	£000	£000	£000	£000	**£000**
Balance at 30 June 2018	376	30,008	1,405	15,591	**47,380**
Changes in equity					
Total comprehensive income	-	2,812	-	-	**2,812**
Dividends	-	(3,345)	-	-	**(3,345)**
Purchase of own shares	-	(1,000)	-	-	**(1,000)**
Cancelled shares	(10)	-	10	-	**-**
Balance at 29 June 2019	366	28,475	1,415	15,591	**45,847**
Changes in equity					
Total comprehensive income	-	4,834	-	-	**4,834**
Dividends	-	(614)	-	-	**(614)**
Purchase of own shares	-	(6,772)	-	-	**(6,772)**
Cancelled shares	(68)	-	68	-	**-**
Balance at 27 June 2020	298	25,923	1,483	15,591	**43,295**

Notes on pages 18-38 form part of the financial statements

Notes

(forming part of the financial statements)

1 Statutory information

William Cook Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The principal activity of the Company in the period under review was the provision of management services to subsidiary companies.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards.

Going concern

As part of its normal business practice, budgets, cash flow forecasts and longer-term financial projections are prepared and in reviewing this information, the directors are satisfied that the Group and the Company have adequate resources to enable them to continue in business for the foreseeable future. The directors have therefore adopted the going concern basis in the preparation of the financial statements.

The ongoing impact of the Covid-19 coronavirus pandemic is clearly having a significant detrimental impact on the overall economy. The directors expect this detrimental impact to be short lived now, given recent developments in vaccines, and this will we hope, be followed by a gradual recovery. However, it is not currently possible to evaluate all the potential implications to the Company and the Group's trade, customers, suppliers, and the wider economy. Given the Group had significant cash of over £10m, net current assets of over £17m and no external debt beyond related parties as at 27 June 2020 and this broadly remains the case today, the directors consider the Group and Company are well placed to manage the risks associated with, and detrimental impact of, Covid-19 coronavirus. We will also continue to maintain close relationships and dialogue with customers and suppliers as the situation develops. The directors therefore continue to adopt the going concern basis of accounting in preparation of the annual financial statements.

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings together with the group's share of the results of associates, where applicable.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and where the group 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. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

Notes *(continued)*

2 Accounting policies *(continued)*

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Differences arising on translation and on the conversion of ordinary foreign currency transactions during the period are dealt with as part of the profit on ordinary activities.

Revenue recognition

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- It is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Post-retirement benefits

The Group operates an active defined contribution pension scheme. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The defined benefit section of the Group's pension scheme was wound up in 2011 and the Group has no further liability in relation to this former scheme.

Notes *(continued)*

2 Accounting policies *(continued)*

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Business combinations and goodwill

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings ("subsidiaries"). All financial statements are made up to 27 June 2020. At the date of acquisition of a business other than by merger, fair values are attributed to the net assets acquired. Until 28 March 1998 the Group eliminated goodwill from the accounts by immediate write off against reserves. Goodwill is capitalised and written off to the profit and loss account over a period appropriate to each investment but no more than 20 years in accordance with FRS 102 Section 19 'Business combinations and goodwill'. In applying this standard, the Group does not intend to capitalise retrospectively previously written off goodwill.

The Group's share of the profits less losses of joint ventures and associates is included in the consolidated profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet. A joint venture is an undertaking in which the Group has a long term interest and over which it exercises joint control. An associate is an undertaking in which the Group has a long term interest and over which it exercises significant influence.

On the disposal or closure of any business acquired, the profit and loss account includes a charge in respect of the goodwill previously written off against reserves on the acquisition of the business.

Intangible fixed assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Customer relationships	-	20 years
Yacht berth licence	-	25 years

Amortisation is included in 'administrative expenses' in the profit and loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

2 Accounting policies *(continued)*

Tangible fixed assets depreciation

Tangible fixed assets are fully depreciated, on cost or valuation less residual value, on a straight line basis, over their estimated useful lives as follows:

Leasehold land and buildings	-	by equal instalments over the life of the lease
Freehold buildings	-	2.5% per annum
Plant and equipment	-	10% - 20% per annum
Motor vehicles	-	25% per annum

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell, and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Other fixed assets are held at market value. Individual items are periodically valued by an external valuer with any surplus or deficit being reported in the Consolidated Profit and Loss Account. These assets (paintings) are deemed to have indeterminate lives and a high residual value, consequently no depreciation is charged.

Investment properties and land

In accordance with FRS 102 section 16, investment properties and land are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. If deficits are considered permanent these are written off to profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties where the unexpired term of the lease is more than 20 years. These properties are maintained in a state of good repair and, accordingly, the directors consider that the lives of these assets are so long and residual values sufficiently high that any depreciation charge to the profit and loss account would be insignificant.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102 section 16. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

Investments in subsidiaries - company

Investments in subsidiary undertakings are stated at cost less any impairment in value. Any impairment is charged to profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value using the first in/first out method. Cost comprises the direct costs of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

Cash and cash equivalents

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

3 Prior Year Adjustment

The prior period Consolidated Profit and Loss Account has been restated to correct misstatements identified in the presentation of the reported results for the year ended 29 June 2019.

The misstatements arose as a result of accounting entries made for management accounting purposes which should have been, but were not, eliminated in the financial statements. As a consequence, *turnover* and *cost of sales* were both overstated in the prior period by £953,000. Similarly, errors in eliminating intra-group transactions meant that *administrative expenses* were understated, and *cost of sales* overstated by a further amount of £801,000 in the prior year.

Notes *(continued)*

3 Prior Year Adjustment *(Continued)*

Exchange gains arising on foreign currencies in the sum of £136,000 originally presented as *Administrative expenses* in the prior year have been re-presented as *Net interest and similar charges* (payable)/receivable in these financial statements *(see note 9)*.

No other amounts in the prior year financial statements are affected.

4 Turnover

The directors consider that the trading activities conducted by the Group's subsidiaries do not significantly differ. All turnover originates in the United Kingdom.

	Year ended 27 June 2020	Year ended 29 June 2019 as restated
	£000	£000
Geographical analysis of turnover by destination		
United Kingdom	**39,529**	32,627
Continental Europe	**9,236**	14,359
North America	**3,609**	2,850
Rest of world	**4,941**	6,499
	57,315	56,335

5 Net operating expenses

	Year ended 27 June 2020	Year ended 29 June 2019 as restated
	£000	£000
Operating costs		
Distribution costs	**922**	1,022
Administrative expenses	**8,470**	7,719
	9,392	8,741
Exceptional operating costs		
Employment termination	**86**	-
Employers' liability settlement	**251**	
	337	-
Total operating costs	**9,729**	8,741

The employers' liability settlement relates to an uninsured legacy claim against a company acquired by the William Cook Group many years ago and relating to a period pre-dating acquisition.

Notes *(continued)*

6 Other operating income

	Year ended 27 June 2020 £000	Year ended 29 June 2019 £000
Government grant	**425**	-

7 Directors and employees

	Year ended 27 June 2020 £000	Year ended 29 June 2019 £000
Directors' remuneration		
Salary	**379**	308
Benefits in kind	**2**	27
Pension contributions	**10**	14
	391	349

Directors' remuneration includes amounts paid to the directors by all Group companies. Emoluments of the highest paid director were £277,000 *(2019: £219,000)*.

	Year ended 29 June 2020 £000	Year ended 29 June 2019 £000
Employees		
Wages and salaries	**14,975**	14,558
Social security costs	**1,379**	1,372
Other pension costs	**392**	308
	16,746	16,238

	Number	Number
Average numbers employed by the Group:		
Factories	**374**	379
Sales and administration	**102**	102
	476	481

Notes *(continued)*

8 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):	**Year ended 27 June 2020 £000**	Year ended 29 June 2019 £000
Auditor's remuneration:		
Audit of these financial statements	**35**	32
Amounts receivable by auditors in respect of:		
- audit of financial statements of subsidiaries pursuant to legislation	**65**	65
- other services relating to taxation	**35**	-
Depreciation		
- owned	**3,435**	3,442
Reversal of impairments of fixed assets	**(259)**	-
Loss/(profit) on disposal of fixed assets	**549**	(219)
Amortisation of goodwill and other intangible assets	**485**	488
Hire of plant and machinery	**322**	290
Other operating leases	**324**	392

9 Net interest and similar charges (payable)/receivable

	Year ended 27 June 2020 £000	Year ended 29 June 2019 as restated £000
Group		
Interest payable on shareholder loan stock	**(73)**	(260)
Interest payable on pension scheme loans	**(49)**	(41)
Interest payable on other loans	**(77)**	-
Other interest payable	**(8)**	(5)
	(207)	(306)
Bank interest receivable	**74**	87
Income from fixed asset investments	**6**	3
Exchange gains on foreign currencies	**126**	136
	(1)	(80)

Notes *(continued)*

10 Taxation

	Year ended 27 June 2020 £000	Year ended 29 June 2019 £000
Current tax:		
Corporation tax on the profit for the period	1,414	856
Adjustments in respect of prior periods	-	(320)
Total current tax charge	1,414	536
Deferred tax:		
Origination/reversal of timing differences	(88)	64
Adjustments in respect of prior periods	9	8
Effect of rate change	40	-
Tax on profit on ordinary activities	1,375	608

The current tax charge for the period is higher *(2019:* lower*)* than the standard rate of corporation tax in the UK 19% *(2019:* 19%*)*.

The differences are explained below:

	Year ended 27 June 2020 £000	Year ended 29 June 2019 £000
Current tax reconciliation		
Profit on ordinary activities before tax	6,895	3,493
Current tax at 19% *(2019: 19%)*	1,310	664
Effects of:		
Expenses not deductible for tax purposes	24	264
Income not taxable	(12)	-
Depreciation in excess of capital allowances	374	-
Additional deduction for R&D expenditure	(370)	-
Adjustments in respect of prior periods	9	(312)
Deferred tax rate change	40	(8)
Total tax charge (see above)	1,375	608

Notes *(continued)*

11 Dividends

The aggregate amount of dividends comprises:

	Year ended 27 June 2020 £000	Year ended 29 June 2019 £000
Interim dividends paid in respect of current period	**614**	3,345

£nil ordinary dividends are recognised as liabilities as at the period end *(2019: £nil).*

12 Profit of the parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

The consolidated profit and loss account of the period includes a profit for the financial period of £4,834,000 *(2019: Profit - £2,812,000)* which are dealt with in the financial statements of the company.

13 Intangible fixed assets

Group

	Customer relationships £000	Licences £000	Research & Development £000	Goodwill £000	Total £000
Cost					
At 30 June 2019	1,911	476	91	7,061	9,539
Group disposals	-	(405)	-	-	(405)
At 27 June 2020	**1,911**	**71**	**91**	**7,061**	**9,134**
Amortisation					
At 30 June 2019	1,001	237	-	3,044	4,282
Charge for the period	120	12	-	353	485
Eliminated on group disposals	-	(178)	-	-	(178)
At 27 June 2020	**1,121**	**71**	**-**	**3,397**	**4,589**
Net book value at 27 June 2020	**790**	**-**	**91**	**3,664**	**4,545**
Net book value at 30 June 2019	910	239	91	4,017	5,257

Notes *(continued)*

14 Tangible fixed assets

Group

	Investment Properties £000	Land and Buildings £000	Other fixed assets £000	Plant, equipment and motor vehicles £000	Total £000
Cost or valuation					
At 30 June 2019	344	14,150	738	39,320	54,552
Additions	-	1,570	-	1,555	3,125
Disposals	-	-	-	(346)	(346)
Group disposals	-	-	-	(11,267)	(11,267)
At 27 June 2020	**344**	**15,720**	**738**	**29,262**	**46,064**
Depreciation and impairment					
At 30 June 2019	-	3,756	-	20,136	23,892
Depreciation charge for the period	-	314	-	3,121	3,435
Reversal of impairments	-	-	-	(259)	(259)
Eliminated on disposals	-	-	-	(346)	(346)
Eliminated on group disposals	-	-	-	(6,353)	(6,353)
At 27 June 2020	**-**	**4,070**	**-**	**16,299**	**20,369**
Net book value at 27 June 2020	**344**	**11,650**	**738**	**12,963**	**25,695**
Net book value at 30 June 2019	344	10,394	738	19,184	30,660

The interest in investment property is long leasehold. Investment properties are revalued annually by the directors on an open market basis, and the directors confirm that the value of this property is not significantly different from the market value at 27 June 2020.

Included within land and buildings is £3,859,000 *(2019: £3,559,000)* of land which is not being depreciated. Land and buildings are mainly freehold with the exception of £2,121,000 *(2019: £2,073,000)* which is long leasehold.

At the date of transition to FRS 102, the revalued plant and machinery has been valued at deemed cost as a result of a previous GAAP revaluation dated 29 March 2014, and in accordance with section 35 of FRS 102.

Other fixed assets were formerly classified as heritage assets, and represent paintings purchased during prior years. They are held at market value, considered to be equal to their cost in the year of acquisition.

Notes *(continued)*

14 Tangible fixed assets *(continued)*

Company	Other fixed assets £000	Plant, equipment and motor vehicles £000	Total £000
Cost			
At 30 June 2019	738	143	881
Additions	-	6	6
At 27 June 2020	**738**	**149**	**887**
Depreciation			
At 30 June 2019	-	132	132
Charge for the period	-	10	10
At 27 June 2020	**-**	**142**	**142**
Net book value at 27 June 2020	**738**	**7**	**745**
Net book value at 30 June 2019	738	11	749

Other fixed assets were formerly classified as heritage assets, as noted above for the Group.

Notes *(continued)*

15 Investments

Group

	Other Investments £000
Cost	
At 30 June 2019	47
Disposals	(17)
At 27 June 2020	**30**
Provision for diminution in value	
At 30 June 2019 and 27 June 2020	-
Net book value	
At 27 June 2020	**30**
At 30 June 2019	47

Listed investments costing £29,829 had a market value of £73,600 as at 27 June 2020.

Company

	Shares in Group undertakings £000	Listed Investments £000	Total £000
Cost			
At 30 June 2019	42,094	30	42,124
Disposals	(9)	-	(9)
At 27 June 2020	**42,085**	**30**	**42,115**
Provision for diminution in value			
At 30 June 2019	11,694	-	11,694
Eliminated on disposals	(9)	-	(9)
At 27 June 2020	**11,685**	-	**11,685**
Net book value at 27 June 2020	**30,400**	**30**	**30,430**
Net book value at 30 June 2019	30,400	30	30,430

A full listing of the group companies is provided at note 25.

Notes *(continued)*

16 Stocks

	Group		Company	
	27 June 2020	29 June 2019	**27 June 2020**	29 June 2019
	£000	£000	**£000**	£000
Raw materials and consumables	**4,291**	3,088	-	-
Work in progress	**4,908**	3,566	-	-
Provisions	**(704)**	(470)	-	
Finished goods	**672**	464	-	-
	9,167	6,648	-	-

17 Debtors

	Group		Company	
	27 June 2020	29 June 2019	**27 June 2020**	29 June 2019
	£000	£000	**£000**	£000
Trade debtors	**9,716**	10,619	-	-
Other debtors	**4,783**	81	**4,766**	25
Prepayments and accrued income	**815**	1,527	**59**	177
Amounts owed by group undertakings	-	-	**5,482**	9,765
Deferred taxation asset *(see note 20)*	-	-	**131**	14
	15,314	12,227	**10,438**	9,981

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes *(continued)*

18 Creditors

	Group		Company	
	27 June 2020	29 June 2019	**27 June 2020**	29 June 2019
	£000	£000	**£000**	£000
Amounts falling due within one year				
Other loans	**2,788**	788	**2,788**	788
Shareholder loan stock	**-**	1,850	**-**	1,850
Amounts owed to group undertakings	**-**	-	**576**	1,034
Trade creditors	**6,480**	7,226	**90**	133
Corporation tax	**1,585**	903	**562**	774
Other taxation and social security	**1,889**	774	**509**	352
Other creditors *	**396**	7,915	**67**	498
Accruals				
Shareholder loan stock interest	**-**	13	**-**	13
Other loan interest	**126**	-	**126**	-
Other	**4,607**	5,533	**239**	317
	17,871	25,002	**4,957**	5,759

* On 13 March 2020 a performance bond and matching cash deposit of £7.02 million relating to a large defence contract was cancelled by agreement between the Group and its customer. The underlying contract continues extant under renegotiated terms. The creditor and cash positions relative to the previous year reflect this. Also see Note 27.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

19 Loans and other borrowings

	Group		Company	
	27 June 2020	29 June 2019	**27 June 2020**	29 June 2019
	£000	£000	**£000**	£000
Other loans	**2,788**	788	**2,788**	788

Other loans as at 27 June 2020 are:

- A US$1,000,000 loan provided by the Cook Children's 2006 Trust on 5 August 2018 and secured by a fixed and floating charge over the assets of the Company. The loan is repayable on demand with interest payable at a fixed rate of 5% per annum.
- A EUR1,000,000 loan provided by the A J Cook Pension Scheme on 4 December 2019 and secured by a fixed and floating charge over the assets of the Company. The loan is repayable on 3 December 2020, or by agreement, on demand thereafter, with interest payable at a fixed rate of 5% per annum.
- A CHF1,250,000 loan provided by the A J Cook Pension Scheme on 21 January 2020 and secured by a fixed and floating charge over the assets of the Company. The loan is repayable on 21 January 2021, or by agreement, on demand thereafter, with interest payable at a fixed rate of 5% per annum.

The loans are considered to be related party transactions as Sir Andrew Cook is a Trustee of both the Cook Children's 2006 Trust and the A J Cook Pension Scheme, and is a director of William Cook Holdings Limited.

Notes *(continued)*

20 Provisions for liabilities and charges

	Deferred taxation £000	Other provisions £000	Total £000
Group			
At 30 June 2019	341	203	544
Group disposals	(17)	-	(17)
Credited to the profit and loss account	(39)	-	(39)
At 27 June 2020	**285**	**203**	**488**
Company			
At 30 June 2019	(14)	-	(14)
Credited to the profit and loss account	(117)	-	(117)
At 27 June 2020	**(131)**	**-**	**(131)**

	Group		**Company**	
	27 June 2020 £000	29 June 2019 £000	**27 June 2020 £000**	29 June 2019 £000
The elements of deferred taxation are as follows:				
Difference between accumulated depreciation and amortisation and capital allowances	**483**	401	**(7)**	(7)
Other timing differences	**(198)**	(60)	**(124)**	(7)
Undiscounted provision	**285**	341	**(131)**	(14)
Deferred tax asset *(see note 17)*	**-**	-	**(131)**	(14)

Other provisions are for potential future payments arising from historic trading activities.

Notes *(continued)*

21 Called up share capital

Allotted and fully paid	**27 June 2020 Number**	**27 June 2020 £**	29 June 2019 Number	29 June 2019 £
Ordinary shares of 1 pence each*	29,852,273	298,523	36,624,720	366,247

* The ordinary share capital is divided as below:

	27 June 2020 Authorised Number	**27 June 2020 Allotted Number**	29 June 2019 Authorised Number	29 June 2019 Allotted Number
A shares	25,891,177	25,891,177	25,891,177	25,891,177
B shares	6,772,447	-	6,772,447	6,772,447
C1 shares	3,820,198	3,820,198	3,820,198	3,820,198
C2a shares	35,226	35,226	35,226	35,226
C2b shares	35,224	35,224	35,224	35,224
C2c shares	35,224	35,224	35,224	35,224
C2d shares	35,224	35,224	35,224	35,224
C3 shares	1,000,000	-	1,000,000	-
D shares	300,000	-	300,000	-
E shares	1,000,000	-	1,000,000	-
	38,924,720	**29,852,273**	38,924,720	36,624,720

With the exception of the D and E ordinary share, all the ordinary shares are fully voting shares, entitled to participate in both capital and income distributions but no right to fixed income. The D shares and E shares do not carry any right to vote.

22 Share premium and reserves

Group	**Revaluation reserve £000**	**Share premium account £000**	**Capital redemption reserve £000**	**Profit and loss account £000**
At 30 June 2019	2,277	15,591	1,415	29,362
Profit for the financial period	-	-	-	5,520
Purchase of own shares	-	-	-	(6,772)
Cancelled shares	-	-	68	-
Dividend	-	-	-	(614)
At 27 June 2020	2,277	15,591	1,483	27,496

Notes *(continued)*

22 Share premium and reserves *(continued)*

Company	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At 30 June 2019	15,591	1,415	28,475
Profit for the financial period	-	-	4,834
Dividend	-	-	(614)
Purchase of own shares	-	-	(6,772)
Cancelled shares	-	68	-
At 27 June 2020	**15,591**	**1,483**	**25,923**

The cumulative amount of positive goodwill resulting from the acquisition of William Cook plc on 25 February 1997 which has been written off to Group reserves is £11,962,000 *(2019: £11,962,000)*.

23 Capital and other commitments

At 27 June 2020, capital commitments were as follows:

	27 June 2020 £000	29 June 2019 £000
Contracted but not provided for in the financial statements	1,267	-
Authorised but not contracted for	164	-
Total	**1,431**	-

Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group		Company	
	27 June 2020 £000	29 June 2019 £000	**27 June 2020 £000**	29 June 2019 £000
Within one year	**385**	334	**43**	34
Within two to five years	**1,098**	1,167	**70**	91
After five years	**6,360**	6,680	-	-
	7,843	8,181	**113**	125

Notes *(continued)*

24 Contingent liabilities

Group contingent liabilities relating to guarantees, performance bonds and other items of a normal trading nature amounted to £521,000 *(2019: £1,185,000)*.

William Cook Holdings Limited has given guarantees in respect of bank indebtedness of subsidiary undertakings, which amounted to £6,592,000 *(2019: £5,302,000)*.

25 Group companies

The companies in the Group at 27 June 2020 were:

	Activity
Ultimate Parent Company	
William Cook Holdings Limited	Holding Company
Subsidiary Companies	
William Cook Limited	Dormant
William Cook Cast Products Limited	Steel casting and engineering
William Cook Leeds Limited	Steel casting and engineering
William Cook Stanhope Limited	Manufacture of defence equipment
Cook Defence Systems Limited	Design and sale of defence equipment
William Cook Rail Limited	Specialist engineering services for the rail industry
William Cook Properties Limited	Commercial property management
William Cook Estates Limited	Development property management
William Cook Aviation Limited	Aircraft charter
William Cook Leaseholds Limited	Management of leasehold properties
William Cook Intermodal Limited	Special products for freight transport
William Cook Publishing Limited	Publishing
William Cook Defence Limited	Dormant
William Cook Integrity Limited	Dormant
William Cook (MS) 2018 Limited	Dormant

All the above subsidiary companies are wholly owned, with registered office address at Parkway Avenue, Sheffield S9 4UL. They trade mainly in the United Kingdom.

The following companies were exempt from the requirements relating to the audit of individual financial statements by virtue of section 479 of the Companies Act 2006:

- William Cook Intermodal Limited
- William Cook Aviation Limited
- William Cook Leaseholds Limited

26 Pension commitments

The Group operates a defined contribution pension scheme. The assets are held separately from those of the Group.

The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £391,304 *(2019: £307,890)*.

Accrued contributions at 27 June 2020 are £32,501 *(2019: £nil)*.

Notes *(continued)*

27 Reconciliation of operating profit to operating cash flows

	Year ended 27 June 2020 £000	Year ended 29 June 2019 £000
Profit on ordinary activities before interest	**7,022**	3,709
Depreciation charge	**3,435**	3,442
Reversal of impairments	**(259)**	-
Loss/(profit) on disposal of fixed assets	**549**	(219)
Amortisation of goodwill and other intangible assets	**485**	488
(Increase)/decrease in stocks	**(1,837)**	634
Decrease in debtors	**657**	849
(Decrease)/increase in creditors *	**(8,341)**	1,027
Cash inflow from operating activities	**1,711**	9,930

* On 13 March 2020 a performance bond and matching cash deposit of £7.02 million relating to a large defence contract was cancelled by agreement between the Group and its customer. The underlying contract continues extant under renegotiated terms. The creditor and cash positions relative to the previous year reflect this. Also see Note 18.

28 Analysis of net funds

	30 June 2019 £000	Non-cash movements £000	Cash flows £000	**27 June 2020 £000**
Cash at bank and in hand	19,718	-	(8,965)	**10,753**
Debt due within one year	(1,850)	-	(938)	**(2,788)**
	(1,850)	-	(938)	**(2,788)**
Total	**17,868**	-	**(9,903)**	**7,965**

29 Related party transactions

Disposal of William Cook Marine Limited and Swiss Classic Train GmbH

During the year, the Group sold its 100% investments in the shares of William Cook Marine Limited and Swiss Classic Train GmbH on 12 September 2019 and 3 April 2020, respectively.

The group received total cash consideration of £64,312 for the two companies, being:

William Cook Marine Limited	- EUR 33,671
Swiss Classic Train GmbH	- CHF 40,281

The consideration was by reference to the book value of the businesses and assets of the two companies and was settled by Company dividends in specie payable to the holder of the C1 ordinary shares, a Director of the Company.

The share sale agreements provided for a partial waiver of loans owing to the Company prior to sale, leaving remaining debts of EUR 4,000,000 and CHF 1,126,648 owing by William Cook Marine Limited and Swiss Classic Train GmbH respectively. These amounts are outstanding at the year end and included within debtors. The loans are repayable on demand and secured in the case of William Cook Marine Limited by a debenture granting a fixed and floating charge over the assets of that company. The Swiss Classic Train GmbH loan is similarly secured by way of a pledge over the shares and related rights of that company.

Notes *(continued)*

29 Related party transactions *(Continued)*

Loans and other borrowing

Loans made to the company by entities related through a common Director are detailed in note 19.

Transactions with Directors

During the financial period, the company has advanced loans to a Director and the maximum amount owing to the company during the financial period in respect of these loans was £519,661. No interest was payable on these loans.

The amount due from the Director at 27 June 2020 was £160,541 (*2019: £nil*).

30 Ultimate controlling party

The ultimate controlling party of the Group and Company is considered to be Sir Andrew Cook CBE.

31 Post balance sheet events

After the year end, the following events have occurred:

Dividends have been paid as follows:

- £100,000 to the holder of the C2a ordinary shares on 17 July 2020.
- £1,000,000 to the holder of the C1 ordinary shares on 2 November 2020.
- CHF 3,000,000 to the holder of the C1 ordinary shares on 15 December 2020.
- £400,000 to the holder of the C1 ordinary shares on 1 April 2021.

32 Critical accounting judgements and key sources of estimate uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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.

Critical judgements in applying the Group and Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Useful economic life of goodwill

The directors have assessed that the goodwill related to historic acquisitions has a useful economic life of 20 years.

Notes *(continued)*

32 Critical accounting judgements and key sources of estimate uncertainty *(continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of stock

The Group is exposed to risk of stock being valued above its net realisable value. Provisions are recorded, where appropriate, to reduce the value of stocks to their net realisable value as determined by estimates of selling prices.

Determining residual values and useful economic lives of tangible and intangible assets

The Group and the Company depreciate tangible assets, and amortise intangible assets, over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The estimation of useful lives of intangible assets is based on any contractual or legal rights associated with the asset, or the period in which the Group and Company expect to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Assessing impairment indicators

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. No impairment indicators are noted in the year.