

Company Registration No. 02708462 (England and Wales)

Samuel Grant (Leeds) Limited
Annual Report And Financial Statements
For The Year Ended 31 December 2020

SAMUEL GRANT (LEEDS) LIMITED

COMPANY INFORMATION

Directors	Mr A D S Grant Mr M P S Grant Mr M Harris Mr A J Dean
Secretary	Mr A J Dean
Company number	02708462
Registered office	Unit 1 Orion Way Cross Green Leeds LS9 0AR
Auditors	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY
Bankers	Natwest Bank Plc 8 Park Row Leeds LS1 1QS

SAMUEL GRANT (LEEDS) LIMITED

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SAMUEL GRANT (LEEDS) 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 are satisfied with the performance of the company during the year considering the COVID 19 pandemic and the company performed far better than predicted, they are also confident that the company will continue to thrive and exceed expectation in 2021.

2020 showed a decrease of over £1.7 million in turnover this was due to the COVID 19 pandemic and was far better than predicted, there was however an increase in net profit of £325K due to the Job retention scheme being claimed. The directors are confident that the turnover will continue to rise significantly in 2021.

Principle risks and uncertainties

The key risks to the business are increase in the price of carboard and polythene, further COVID 19 disruption and the plastic tax being applied in 2022.

We try and minimize the effect on our customers by ordering enough stock to delay price rises for as long as possible. We also have sufficient safeguarding measures in place to enable a safe return to office working for our staff and the company financial models have been adapted to allow greater foresight with regards to the pandemic. We have good communication with our customers to manage expectations regarding the future plastic tax.

The company is also exposed to the usual credit risk and cash flow associated with credit sales. This is managed very carefully through strict credit control procedures.

Market competition will always be a risk to our business, particularly online tenders, taking out the ability to promote the exceptional customer service offered by the business. We have however got an expert team of buyers who are constantly working on group deals. This therefore will keep us competitive whilst still being able to offer a service to our customers that is exceptional.

Development and performance

The directors are satisfied with the position of the company at the year-end considering the disruption caused by the COVID 19 pandemic. We have managed to maintain competitive prices whilst still offering a service to our customers that is second to none. We also invested heavily in computer technology to enable our staff to work from home and minimize disruption for our customers during the pandemic. We have also re designed the company's financial modelling to be able to react to any further COVID 19 disruption.

We have also invested in technology to enable pallet load testing for our customers to ensure their goods arrive where they need to go without being damaged. This provides yet another consultative service for our customers.

Results

Turnover for the period was £17.8m (2019 - £19.5m) operating profit was £719K (2019 - £320K).

On behalf of the board

Mr A D S Grant
Director

9 September 2021

SAMUEL GRANT (LEEDS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company is the merchanting and distribution of packaging materials.

Results and dividends

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

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

Directors

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

Mr A D S Grant
Mr M P S Grant
Mr M Harris
Mr A J Dean

Auditor

The auditor, Garbutt & Elliott Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

On behalf of the board

Mr A D S Grant
Director

9 September 2021

SAMUEL GRANT (LEEDS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

SAMUEL GRANT (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMUEL GRANT (LEEDS) LIMITED

Opinion

We have audited the financial statements of Samuel Grant (Leeds) Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

SAMUEL GRANT (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SAMUEL GRANT (LEEDS) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management, and from inspection of the company's regulatory and legal correspondence. We discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising environmental, Data Protection Regulations, employment legislation and health and safety and, in the current climate, Covid 19 regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

SAMUEL GRANT (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SAMUEL GRANT (LEEDS) LIMITED

To identify risks of material misstatement due to fraud we considered the opportunities, incentives and pressures that may exist within the company to commit fraud. Our risk assessment procedures included: enquiry of directors to understand the high-level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures, we identified the greatest potential for fraud in the following areas:

- revenue recognition and in particular the risk that revenue is recorded in the wrong period; and
- subjective accounting estimates

Both fraud risks arise due to a desire to present stronger results and enable management to benefit from enhanced incentives. As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation.
- assessing significant accounting estimates for bias.
- testing the timing and recognition of revenue and, in particular, that it was appropriately recognised.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Matthew Grant (Senior Statutory Auditor)
For and on behalf of Garbutt & Elliott Audit Limited

9 September 2021

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

SAMUEL GRANT (LEEDS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	17,848,548	19,589,517
Cost of sales		(14,077,598)	(15,740,496)
Gross profit		<u>3,770,950</u>	<u>3,849,021</u>
Administrative expenses		(3,307,814)	(3,528,703)
Other operating income		256,846	-
Operating profit	4	<u>719,982</u>	<u>320,318</u>
Interest payable and similar expenses	6	-	(4,462)
Profit before taxation		<u>719,982</u>	<u>315,856</u>
Tax on profit	7	(138,372)	(59,318)
Total comprehensive income for the year		<u><u>581,610</u></u>	<u><u>256,538</u></u>

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

SAMUEL GRANT (LEEDS) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	8	795,801		835,693	
Investments	9	1,104		1,104	
		<u>796,905</u>		<u>836,797</u>	
Current assets					
Stocks	11	2,303,818		2,589,192	
Debtors	12	6,953,219		6,288,056	
Cash at bank and in hand		972		3,072	
		<u>9,258,009</u>		<u>8,880,320</u>	
Creditors: amounts falling due within one year	13	<u>(5,830,378)</u>		<u>(6,092,517)</u>	
Net current assets		<u>3,427,631</u>		<u>2,787,803</u>	
Total assets less current liabilities		<u>4,224,536</u>		<u>3,624,600</u>	
Provisions for liabilities		<u>(30,326)</u>		<u>(12,000)</u>	
Net assets		<u>4,194,210</u>		<u>3,612,600</u>	
Capital and reserves					
Called up share capital	17	2		2	
Profit and loss reserves		<u>4,194,208</u>		<u>3,612,598</u>	
Total equity		<u>4,194,210</u>		<u>3,612,600</u>	

The financial statements were approved by the board of directors and authorised for issue on 9 September 2021 and are signed on its behalf by:

Mr M P S Grant
Director

Company Registration No. 02708462

SAMUEL GRANT (LEEDS) LIMITED

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	2	3,356,060	3,356,062
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	256,538	256,538
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	2	3,612,598	3,612,600
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	581,610	581,610
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	2	4,194,208	4,194,210
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SAMUEL GRANT (LEEDS) LIMITED

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

1 Accounting policies

Company information

Samuel Grant (Leeds) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1 Orion Way, Cross Green, Leeds, LS9 0AR.

1.1 Accounting convention

These financial statements have been prepared in accordance with "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 £1.

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

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

- Section 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The ultimate parent company is Samuel Grant (Holdings) Limited, which is the smallest and largest group into which these financial statements are consolidated. Samuel Grant (Holdings) Limited's registered office is Orion Way, Cross Green, Leeds, LS9 0AR.

1.2 Going concern

The directors have considered all factors, including in the wider economy, as part of their assessment of going concern. Although the current economic climate of the Covid-19 pandemic creates both cashflow and profitability risks for the company, the directors believe on balance that they have sufficient resources to enable trading to continue for a period of at least one year from the point of approval of the financial statements, on the basis of information currently available to them as at the point of approval. Accordingly, these financial statements have been prepared on the going concern basis.

SAMUEL GRANT (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents amounts receivable for sale of packaging materials, net of VAT and trade discounts.

Turnover 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 turnover 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.

1.4 Tangible fixed assets

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

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

Leasehold improvements	2.5% straight line
Plant and machinery	25% straight line
Motor vehicles	25% reducing balance

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 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

SAMUEL GRANT (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials only.

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

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

1.8 Cash and cash equivalents

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

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.

Other financial assets

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

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

SAMUEL GRANT (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss 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.

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.10 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.

SAMUEL GRANT (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

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.

1.12 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

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

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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

SAMUEL GRANT (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

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 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Depreciation

The depreciation policy has been set according to managements' experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation without undue cost and therefore amounts are charged annually. The depreciation charged during the year was £248,708 (2019 - £248,827), which the directors feel is a fair reflection of the benefits derived from the consumption of the tangible fixed assets in use during the period.

Bad debt provision

Outstanding trade debtor balances are reviewed on a line by line basis by management to identify possible amounts where a provision is required. Management closely manage the collection of trade debtors and therefore are able to identify balances where there is uncertainty about its recoverability, and determine what provision is required (if any).

Stock provision

At each reporting date an assessment is made for provisions required to recognise a fair valuation of damaged, slow moving or obsolete stock. 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 the profit or loss and provided for in the balance sheet. Reversals of impairment losses are also recognised in profit or loss when they arise.

SAMUEL GRANT (LEEDS) LIMITED

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

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover		
Sale of goods	17,914,371	19,686,741
Discounts	(65,823)	(111,823)
Management fees receivable	-	14,599
	<u>17,848,548</u>	<u>19,589,517</u>

Turnover analysed by geographical market

	2020 £	2019 £
United Kingdom	<u>17,848,548</u>	<u>19,589,517</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(256,846)	-
Fees payable to the company's auditor for the audit of the company's financial statements	3,500	3,350
Depreciation of owned tangible fixed assets	248,708	248,827
Loss on disposal of tangible fixed assets	9,671	2,995
Operating lease charges	<u>130,000</u>	<u>130,000</u>

5 Employees

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

	2020 Number	2019 Number
Directors	4	4
Selling and distribution	21	23
Administration	<u>32</u>	<u>32</u>
Total	<u>57</u>	<u>59</u>

SAMUEL GRANT (LEEDS) LIMITED

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

5 Employees (Continued)

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	1,498,801	1,770,111
Social security costs	156,045	183,560
Pension costs	186,515	86,280
	<u>1,841,361</u>	<u>2,039,951</u>

6 Interest payable and similar expenses

	2020	2019
	£	£
Other interest	-	4,462
	<u>-</u>	<u>4,462</u>

7 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	120,046	30,318
	<u>120,046</u>	<u>30,318</u>
Deferred tax		
Origination and reversal of timing differences	15,265	29,000
Changes in tax rates	3,061	-
	<u>18,326</u>	<u>29,000</u>
Total deferred tax	18,326	29,000
	<u>18,326</u>	<u>29,000</u>
Total tax charge	<u>138,372</u>	<u>59,318</u>

SAMUEL GRANT (LEEDS) LIMITED

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

7 Taxation

(Continued)

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

	2020 £	2019 £
Profit before taxation	719,982	315,856
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	136,797	60,013
Tax effect of expenses that are not deductible in determining taxable profit	1,328	15,361
Effect of change in corporation tax rate	3,061	-
Depreciation on assets not qualifying for tax allowances	10	-
Other adjustments	(2,824)	(16,056)
Taxation charge for the year	138,372	59,318

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2020	176,891	1,387,899	192,371	1,757,161
Additions	4,532	218,377	-	222,909
Disposals	-	(23,681)	-	(23,681)
At 31 December 2020	181,423	1,582,595	192,371	1,956,389
Depreciation and impairment				
At 1 January 2020	19,696	833,995	67,777	921,468
Depreciation charged in the year	4,471	212,194	32,043	248,708
Eliminated in respect of disposals	-	(9,588)	-	(9,588)
At 31 December 2020	24,167	1,036,601	99,820	1,160,588
Carrying amount				
At 31 December 2020	157,256	545,994	92,551	795,801
At 31 December 2019	157,195	553,904	124,594	835,693

9 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	10	1,104	1,104

SAMUEL GRANT (LEEDS) LIMITED

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

9 Fixed asset investments

(Continued)

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

10 Subsidiaries

These financial statements are separate company financial statements for Samuel Grant (Leeds) Limited.

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Able Packaging Group Limited	England and Wales	Ordinary	100.00

The investments in subsidiaries are all stated at cost.

The registered office of the subsidiary is Orion Way, Cross Green, Leeds, LS9 0AR.

11 Stocks

	2020 £	2019 £
Finished goods and goods for resale	2,303,818	2,589,192

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	3,703,428	3,657,900
Amounts owed by group undertakings	3,115,442	2,466,096
Other debtors	18,368	71,228
Prepayments and accrued income	115,981	92,832
	<u>6,953,219</u>	<u>6,288,056</u>

SAMUEL GRANT (LEEDS) LIMITED

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

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	14	1,193,309	2,763,549
Trade creditors		2,530,198	2,344,249
Amounts owed to group undertakings		1,229,286	510,867
Corporation tax		120,046	30,318
Other taxation and social security		685,609	340,956
Other creditors		228	-
Accruals and deferred income		71,702	102,578
		<u>5,830,378</u>	<u>6,092,517</u>

14 Loans and overdrafts

	2020 £	2019 £
Bank finance	<u>1,193,309</u>	<u>2,763,549</u>
Payable within one year	<u>1,193,309</u>	<u>2,763,549</u>

The bank overdraft is secured against properties held by the parent company, and through cross company guarantees as noted in note 18.

Bank finance is secured against trade debtors balances to which they relate.

15 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Decelerated capital allowances	<u>30,326</u>	<u>12,000</u>
Movements in the year:		2020 £
Liability at 1 January 2020		12,000
Charge to profit or loss		<u>18,326</u>
Liability at 31 December 2020		<u>30,326</u>

SAMUEL GRANT (LEEDS) LIMITED

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

16 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	186,515	86,280

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.

17 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2

18 Financial commitments, guarantees and contingent liabilities

The company, jointly with other group undertakings, guarantees the bank indebtedness of all group undertakings. The total contingent liability of the company relating to bank indebtedness at the balance sheet date amounted to £nil (2019 - £nil).

19 Operating lease commitments

Lessee

The operating leases represent non-cancellable leases of motor vehicles and machinery, with the average term of leases being for 4 years.

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

	2020	2019
	£	£
Within one year	100,610	92,639
Between two and five years	108,264	102,954
	208,874	195,593

20 Related party transactions

Guarantees have been provided to group companies as identified in note 18.

Details of outstanding balances as at the year end are given in notes 12 and 13.

SAMUEL GRANT (LEEDS) LIMITED

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

21 Ultimate controlling party

The company's immediate parent company is Samuel Grant Group Limited, a company registered in England and Wales.

The ultimate parent company is Samuel Grant (Holdings) Limited, a company registered in England and Wales with a registered office of Orion Way, Cross Green, Leeds, LS9 0AR. Samuel Grant (Holdings) Limited is the smallest and largest group into which Samuel Grant (Leeds) Limited is consolidated.

In the opinion of the directors, there is no ultimate controlling party.

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