Nobia Holdings UK Limited

Annual Report and Consolidated Accounts
for the year ended 31 December 2020

Registered Number 04184676

Contents

Chief Executive's Statement

We have never experienced a year like 2020 facing into new and unusual business situations. The pandemic impacted the entire value chain from suppliers to customers and brought health and safety to a new level. Overnight, we went from a situation with healthy demand and a strong order book to a situation with closed stores and factories. Our immediate and ongoing priority is the health, safety and wellbeing of our colleagues, customers and operating in line with UK Government Lockdown Regulations. I was delighted with how rapidly the entire organisation responded and adapted to this new reality.

I want to personally thank all of our colleagues for their incredible commitment, determination and resilience demonstrated when facing into the unprecedented challenges of 2020. We closed our stores and factories on 23 March 2020 as the UK went into lockdown acting quickly to preserve cash with all revenue and capital expenditure being assessed. In line with UK Government Lockdown Regulations, we gradually re-opened our business when we could operate in a safe, socially distanced way, starting with our trade stores, factories and then retail stores. All our colleagues transitioned well into new working arrangements – working from home and offering our customers virtual design appointments. I am immensely proud of the way we responded to the global pandemic.

I would also like to thank our customers for their understanding during these difficult times and our suppliers and landlords for their flexibility. The Government furlough scheme was particularly welcome allowing us to support colleagues whilst being unable to work. Further Government support with business rates and VAT deferral enabled us to manage our cashflows and ensure payments to our colleagues and suppliers were maintained.

I am incredibly proud of all our colleagues and of how we managed throughout this unprecedented time. Whether our colleagues were going to work in a factory, interacting with customers, working in an office or from home or being furloughed, everyone contributed in a positive and agile way.

We continue to face uncertain times and have been impacted by further restrictions in 2021 across the UK. We remain focused on the health, safety and wellbeing of our colleagues, customers, and the areas we operate in, supported by our new agile ways of working, delivering for our customers and stakeholders.

Dan Carr
Chief Executive
30 November 2021

Strategic report
for the year ended 31 December 2020

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

Principal activities

The principal activities of the Group are the manufacture and distribution of high quality self-assembly and rigid kitchens and the manufacture, merchanting and retailing of kitchens, joinery, and related products under a number of brands including Magnet.

Business review

Performance
The results for the year are set out on page 14. The Group's loss for the financial year was £25.9m *(2019: Profit £12.5m)*. Turnover was 19% lower than the previous year.

In common with the rest of the UK kitchen market, sales were considerably weakened by the COVID-19 global pandemic during 2020, which resulted in the closure of Magnet stores and delays on site for the Commodore and CIE premium project businesses for part of the year. Sales of kitchens into social housing via the Rixonway brand were badly impacted as councils delayed orders into 2021 and beyond The Group benefited from the government furlough scheme, predominantly during quarter 2 of 2020 and also took the opportunity to manage cash flow through the deferment of VAT and payroll taxes. The Brexit transition was well managed by increasing stock levels around the transition date, appointing a customs agent and reviewing group purchasing arrangements, causing limited impact. Elevated macroeconomic uncertainty continued to affect markets, particularly in the project sector. Competition in the market remained fierce. However, there is still a great need for new housing in the UK and sales to local builders via Magnet Trade and builders' merchants via Gower Furniture are generally more resistant to economic declines than sales to consumers.

Magnet continues to achieve retail success with its "Magnet – Part of the family" campaign. Magnet was awarded the Which? Best Buy award in April 2021 for both pre-built and flat pack kitchen units for the second time since 2019. It strengthened its online offering launching the 'My Project' solution allowing retail customers to track the progress of their new kitchen order via a web site.

Magnet trade sales have been strengthened by adapting stores to better meet the needs of our builders while improving loyalty programmes and strengthening the organisation with local business development resources. This continues to be successful strategy, with significant increases in sales and a strengthened market position, which is an excellent foundation for continued success.

The decision has been made to capitalise on the knowledge and expertise within contract sales by merging the Rixonway and Magnet contract sales (project) divisions. This will give our customers the option of sourcing new build kitchen solutions via Magnet stores or a wholesale direct delivered route. This merger has been completed during 2021.

The Gower Furniture wholesale business continues to be robust, with a strong offer to several key customers.

Despite the loss for the year of £25.9m, the balance sheet as at 31 December 2020 demonstrates that the financial position of the Group remains strong with net assets of £134.9m *(2019: £169.1m)*.

Measurement
The Group uses a number of financial and non-financial Key Performance Indicators (KPIs) to measure performance, and these are reported both at board level and to employees at briefing sessions. These KPIs include production plan achievement, delivery performance, manufacturing achievement and a number of health and safety and employee related KPIs. The board considers that the Group has a very effective measurement and reporting system, consistent with its size and complexity.

Strategic report (continued)
for the year ended 31 December 2020

Business review (continued)

***Measurement** (continued)*

Nobia UK are certified to BS OHSAS 18001:2007. Achievements in 2020 included a President's Award, a Gold Medal Award and two Gold Awards from RoSPA, and seven International Safety Awards from the British Safety Council (six with distinction). A UK record of five years without a serious (lost time) accident was achieved by the Leeds 27 Warehouse in Morley.

Key Performance Indicators
As far as financial performance is concerned the key measurements used by the Group are shown below:

Turnover	2020:	*£394.1m*	2019:	*£489.4m*
Gross profit margin	2020:	*32.9%*	2019:	*39.1%*
(Loss) / profit before tax	2020:	*£(30.3)m*	2019:	*£18.2m*
Net assets	2020:	*£134.9m*	2019:	*£169.1m*
Cash at bank and in hand	2020:	*£21.4m*	2019:	*£0.2m*

Principal risks and uncertainties
The directors have carefully considered the principal risks and uncertainties facing the business. The Group operates in a competitive marketplace where continuing growth is dependent on maintaining existing customer relationships and developing new business by offering high quality products and services. The key to success is to leverage the Group's position through the premium which its service offering demands. Competition within the markets is a continuing risk to the Group, which could result in it losing sales to its key competitors. The Group mitigates this risk by providing value added services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers.

The risk of inflationary pressure in the supply chain has increased, with raw material and transport costs impacting on product costs. This risk is mitigated by working with strategic suppliers and passing on price increases to customers where necessary.

The directors continue to investigate and initiate entry into emerging markets whilst remaining flexible in matching capacity and production costs to actual demand.

The directors responded swiftly to the COVID-19 pandemic operating in line with all government guidelines while taking advantage of the financial support measures on offer. Working practices were adapted and measures put in place to safeguard staff and customers.

The Group also has an obligation to pay pension benefits, under a defined benefit pension scheme, to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and returns and the discount rate on corporate bonds.

Corporate Governance

Nobia Holdings UK Limited considers the Wates Corporate Governance Principles in setting its standards of corporate governance and considers its standards to be at a high level. Its parent company Nobia AB applies the Swedish Corporate Governance Code to which there were no reported breaches.

The Nobia Group also monitors developments in the area of corporate governance and continuously adapts its corporate governance principles to create value for its owners and other stakeholders. All subsidiary entities are also governed by these principles.

Strategic report (continued)

for the year ended 31 December 2020

Corporate Governance (continued)

An Audit Committee has been set up at parent company level and holds at least four meetings per year. The Company's results are scrutinised by that committee and the Board of Directors are required to comment on any audit matters.

A Remuneration Committee has been set up at parent company level and is responsible for determining remuneration to senior executives and agreeing variable remuneration schemes.

The UK Board of Directors meet at least quarterly, and the CEO of the UK Group is required to attend Nobia Group Board meetings six times per year. Results are also reported monthly and are scrutinised by both the UK and Nobia Boards.

Strategy, operating practices, and risk management are agreed at group level and policies and internal controls are set to enforce the agreed practices. The Corporate Strategy is cascaded throughout the business by way of briefings, meetings, e-learning and the Group intranet to ensure that all colleagues understand the Group culture and how they contribute to the success of the Group.

Further information about the corporate governance principles by which the Group operates can be found at www.Nobia.com

Section 172 statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its parent company, and in doing so have regard to a range of matters when making decisions for the long-term. Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors.

The Group maintains a reputation for high standards in products, services, and compliance. This is evidenced by the awards received in the year referred to in the Business Review.

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term. Environmental factors are covered further in the Future Developments section of the Business Review.

Our Group comprises of a number of business units, all of which have extensive engagement with their own unique stakeholders as well as other businesses in the Group. The governance framework delegates authority for local decision-making at business unit level up to defined levels of cost and impact which allows the individual businesses to take account of the needs of their own stakeholders in their decision-making. Nobia UK board meetings are held regularly where business unit Managing Directors communicate views upwards.

The leadership teams of each business unit make decisions with a long-term view in mind and with the highest standards of conduct in line with Group policies. In order to fulfil their duties, the Directors of each business unit and the Group itself take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

Details of our key stakeholders and how we engage with them are set out below .

Strategic report (continued)
for the year ended 31 December 2020

Section 172 statement (continued)

Colleagues
Our people are key to our success and we want them to be successful individually and as a team. The Group strives to build a culture of inclusion, integrity and safety, creating a work environment in which both our colleagues and our operations can develop.

Colleague surveys are conducted regularly to monitor issues concerning employee commitment, management and team efficiency. The surveys form the basis for creating local action plans. We work closely with our colleague's work councils to discuss colleagues concerns and raise issues to the leadership team.

During the COVID-19 pandemic, colleagues were supported both financially by using a combination of the furlough scheme and flexible working and by adapting working practices to minimise the spread of COVID-19. Technological support was given to enable home working and newsletters and updates were issued regularly to keep colleague's informed of actions being taken by the business to safeguard them and their customers.

We monitor closely People metrics that inform the board on engagement and retention matters. Each local leadership team also includes a people and culture professional to inform and debate the relevant people issues in the short and medium term.

Discrimination issues are also an important focus area in our Code of Conduct training. Equality and diversity are an integral part of our recruitment process, succession planning and leadership development. We aim to work on creating an inclusive business culture in all parts of our operations, where people can make use of their full potential. Further detail is included in the employees' section of the Directors Report.

Customers
Our ambition is to deliver best-in-class products and service to trade, retail, merchant and project customers. The product design team monitor, develop and test new products to enable new and innovative products to be offered to our customers.

Magnet trade customers are offered trade accounts with credit terms and a generous discount structure. Our in-store colleagues develop relationships with their customers to understand their needs and recommend the best products for their projects.

Magnet retail customers receive a superior service proposition with a dedicated designer involved at all stages of the buying and fitting process to ensure that the customer's needs are fully met. Central customer service also contacts customers post completion to ensure satisfaction and obtain and collate feedback for the board. During the COVID-19 pandemic, safeguarding of customers was prioritised with online design appointments and virtual showroom visits being made available to customers.

Gower Furniture's merchant customers receive dedicated relationship managers who ensure that their needs and specifications are fully understood. Product innovations are shared with these important customers and any product changes are managed in a fully collaborative manner. Customer requirements are discussed at monthly board meetings.

Project customers in Commodore, CIE and Magnet projects have a dedicated sales team who ensure that the best products are specified for each project. Design, supply and fitting services are closely managed throughout the duration of each project to ensure that the requirements of the contract are met and that any contract amendments are fully understood and serviced. Feedback from these customers is fed back to the management team to allow continuous service improvements to be made.

Strategic report (continued)
for the year ended 31 December 2020

Section 172 statement (continued)

Suppliers
We build good relationships with our suppliers and work to develop transparent and efficient partnerships with them. Centralised sourcing provides Nobia with the opportunity to apply a structured work method in terms of setting requirements and monitoring and developing suppliers' work.

Purchased materials and components are carefully specified and suppliers are risk assessed, inspected and evaluated in accordance with our guidelines on the environment, work environment, human rights, business ethics and quality.

Nobia's Supplier Assessment Program is managed by the Central Supplier Quality Assurance Team. The purpose of the Nobia Supplier Assessment Program is to ensure all Nobia material suppliers meet the requirements of our Customers, Shareholders, Employees, Corporate & Sustainability compliances.

Although Purchasing is a central function, deploying centralised processes, the team is structured and located to support the different needs and requirements of the Nobia Regions (Nordic, UK and Central Europe).

Nobia Supplier Assessment tools are subject to constant review and in line with applicable National and International Legislative & Regulatory updates. To ensure continued compliance, all Nobia material Suppliers are assessed annually. Any Supplier which fails to meet the requirements of Nobia's Supplier Assessment and Audit program will be delisted in the event that they fail to implement appropriate measures within a timely manner.

Nobia UK Supplier Performance KPI's are established, reported, monitored and reviewed on a monthly and annual basis by Group & UK Sourcing and Group Sustainability functions

Nobia UK will always endeavour to work with and develop local suppliers with a high proportion of our factory and raw materials sourced from within the UK.

Nobia UK participate in the Group Corporate Social Responsibility Programme which includes sustainable product development, responsible sourcing, reducing CO_2 emissions, resource efficiency and employee wellbeing.

Government and regulators
We engage with the government and regulators through a range of industry consultations, forums and meetings. Key areas of focus are compliance with laws and regulations, health and safety and product safety. Senior management with expertise in each area ensure that the Board is updated on legal and regulatory developments at UK board meetings. The Board takes these updates into account when considering future actions.

By order of the board

D Carr
Director
30 November 2021

Directors' report

for the year ended 31 December 2020

The directors present their directors' report and audited financial statements of the Group for the year ended 31 December 2020 together with the balance sheet of the Company as at that date.

Proposed dividend

The directors do not recommend the payment of a dividend in relation to the year ended 31 December 2020. A dividend of £15m was recommended in 2018 and paid out during 2019. No dividend was proposed in 2019.

Political donations and political expenditure

The Group made no political donations nor incurred any political expenditure during the year *(2019: £nil)*.

Financial instruments

In the opinion of the directors the most significant financial risks, which might impact the company, relate to foreign currencies, interest rates, credit granting and liquidity.

Foreign currency risk

The Group's operations are materially exclusive to the UK. However, an element of the Group's purchases is denominated in Euros and US Dollars.

The Group is party to the Nobia AB group system of hedges, based on forecast transactions, using forward exchange contracts undertaken by Nobia AB. As a result, the Group believes that it has effectively managed its exposure to foreign currency risks to a minimal level as at the balance sheet date.

Interest rate risk

Interest rate exposure is managed centrally by Nobia AB, meaning that the head office is responsible for identifying and managing interest rate risks. Nobia uses short, fixed interest terms to generate the desired interest profile.

Credit risk

The Group's customer base comprises professional customers, consumers and retailers. Credit policies are aimed at minimising losses and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure the company's exposure to bad debts is not significant.

Aggregate and individual overdue debts are monitored closely by management to reduce the likelihood of an unmanaged concentration of credit risk.

Liquidity risk

Liquidity is controlled centrally by Nobia AB with the aim of using available liquidity effectively, at the same time as necessary reserves are available. Daily liquidity is tracked with the help of carefully prepared liquidity forecasts.

Directors

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

P Kane (resigned 30th June 2020)
A Ahmed (resigned 31st August 2021)
N Hardcastle
D Carr
P Woolston
K Ljungfelt
C Smith (appointed 1st October 2021)

Directors' report *(continued)*
for the year ended 31 December 2020

Qualifying third-party indemnity provision
All the Directors benefited from qualifying third-party indemnity provisions in place during the year and at the date of this Directors' Report.

Research and development
It is the policy of the Group to continually investigate and develop new and improved methods of manufacturing and to evaluate, manufacture and distribute new products complementary to the company's existing range.

Post Balance Sheet Events
The COVID-19 pandemic continued to impact on trading and profitability during 2021. Manufacturing is now fully operational; the furlough scheme has ended with all colleagues back at work and orders continue to rise. Magnet stores were shut during lockdown 3 but reopened on 12th April 2021. Sales into social housing continue to be the slowest sector to recover although orders are improving during quarter 3. The Group continues to comply with all government guidelines, working practices have been adapted and measures are in place to safeguard staff and customers.

Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee engagement statement
Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Group as a whole. Communication with all employees continues through Group's Intranet, notice boards, newsletters, team briefings and distribution of the financial statements.

Streamlined energy and carbon reporting (SECR)

Sustainability is a business-critical area for the Group. We have already reached the target of 100% of production plants running on renewable electricity. Scope 2 emissions are purely from fleet vehicles currently unable to use our group contract.

The Group has commenced a strategy to increase electric fleet cars, targeting >30% by 2025.

A project to replace the heating system at the main production plant with Biomass heating commenced in 2021.

Further information about the sustainability principles by which the Group operates can be found at www.Nobia.com

Directors' report *(continued)*
for the year ended 31 December 2020

Streamlined energy and carbon reporting (SECR) (continued)

Energy Consumption:

			2020	2019
Scope 1	Gas and vehicle fuel	tCO2e	**4.809**	6.203
Scope 2	Electricity	tCO2e	**32**	-
Total			**4,841**	6,203
Turnover			**394**	489
Total CO2e/£m			**12.3**	12.7
Total Energy		kWh	**48,148,000**	70,397,000

Future developments
The markets in which the Group operates remain highly competitive and the full impact of the COVID-19 pandemic and of the UK exit from the EU have still to be felt in the UK economy. However, the directors are confident that the Group is in a strong position in the market and well placed to prosper in future years.

The directors consider that climate change will have an increasingly important impact on UK business and our customers. In order to play our part, we have implemented a sustainability strategy which encompasses our product development and design as well as our choice of materials and manufacturing processes. Nobia is the first European kitchen company to adopt science-based climate targets in accordance with the Science Based Targets initiative. 99% (by volume) of our wood and wood materials originate from responsible sources, either FSC® (Forest Stewardship Council® FSC-C100100) or PEFC™ (Programme for the Endorsement of Forest Certification™) certified. All UK manufacturing Operations are certified to both ISO14001 and ISO 50001. 100% of electrical energy used in UK production facilities and stores is from renewable sources.

Although demand was temporarily reduced in light of the spread of COVID-19 during 2020 and 2021, the directors remain confident that with our solid finances and parent company support we can make great progress and gain market share in a turbulent time. In addition to the UK group overdraft facility the parent company Nobia AB has in place long-term financing through two multicurrency revolving credit facilities, amounting to SEK 5 billion. Nobia AB had undrawn credit facilities amounted to SEK 4.7 billion at year-end and liquid cash and cash equivalents of SEK 635 million. We have a differentiated product range for all important customer segments, and there is still a significant need for housing and new construction in many markets, which favours the demand for kitchens in the medium to long term. Government safe working guidelines have been fully implemented into working practices allowing product manufacture to resume and the delivery and fitting of kitchens to customers' homes, sites or businesses to resume.

Going Concern
After making enquiries and taking account of the principal risks and uncertainties set out within the Strategic Report, the directors considered that at the time of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future.

Directors' report *(continued)*
for the year ended 31 December 2020

Going Concern (continued)

The directors have also prepared a cash flow forecast which extends at least 12 months from the date of signing the financial statements. The Group has no external debt at the point of signing and has a UK cash pooling arrangement and group overdraft facility in place with its bank in which its parent company Nobia AB participates. This will be in place throughout the 12-month forecast period. Based on a 20% downwards revenue scenario the UK Group would still have 50% of its cash resources remaining, ensuring that Nobia Holdings UK Limited will continue as a going concern. By taking appropriate mitigating actions the Group considers that cash resources would be sufficient to cover its fixed costs for at least 12 months as it has significant liquid resource at the point of signing the accounts. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) 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 company and of the profit or loss of the company for that period. In preparing each of these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' report *(continued)*
for the year ended 31 December 2020

Disclosure of information to auditor
The directors who held 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 group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the g's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors
Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By order of the board

D Carr
Director
30 November 2021

Independent auditor's report to the members of Nobia Holdings UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Nobia Holdings UK Ltd (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- consideration of cashflow forecasts for a period of more than 12 months from the date of signing the accounts, including the appropriateness of assumptions used in those forecasts based on historical accuracy and market expectations;
- review of sensitivity of future forecasts to both internal and external factors based on available headroom within the models, including consideration of expected worst-case scenarios and associated stress testing;
- analysis of the impact of COVID-19 to date and expected future impact on the entity, including management's ability to adapt their business model to meet changing market conditions;
- assessment of available financing options, including consideration of the recoverability of intercompany debt available from the ultimate parent company Nobia A.B.

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 group's and parent 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.

Independent auditor's report to the members of Nobia Holdings UK Limited (continued)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Independent auditor's report to the members of Nobia Holdings UK Limited (continued)

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, the Coronavirus Job Retention Scheme, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included GDPR and health and safety regulations.

We discussed among the audit engagement team (including relevant internal specialists such as tax, pensions and IT) regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

1. Revenue recognition
    - Risks:
        - cut-off of revenue associated with supply and fit or contract sales, which may lead to revenue being recognised in the incorrect accounting period;
        - accuracy and completeness of the rebate provision.
    - Procedures:
        - assess the design and implementation of relevant controls;
        - review a sample of year end sales to ensure that the revenue was recognised in the correct period;
        - Analyse year end provisions in line with historic trends and sales analysis.
2. Stock provision
    - Risks:
        - the completeness and valuation of the stock provision.
    - Procedures:
        - assess the design and implementation of relevant controls;
        - independently recalculate the provision to determine whether management's methods and assumptions appeared appropriate.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

Independent auditor's report to the members of Nobia Holdings UK Limited (continued)

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

M. R. Lewis

Mark Lewis (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, UK

30 November 2021

Consolidated statement of comprehensive income
for the year ended 31 December 2020

	Note	**2020 £'000**	2019 £'000
Turnover	4	**394,062**	489,359
Cost of sales		**(264,225)**	(297,910)
Gross profit		**129,837**	191,449
Selling and distribution costs		**(138,061)**	(141,607)
Administrative expenses		**(32,049)**	(31,800)
Other operating income	5	**9,935**	-
Operating (loss) / profit	6	**(30,338)**	18,042
Interest receivable and similar income	9	**3,596**	899
Interest payable and similar expenses	9	**(3,593)**	(731)
Net interest income		**3**	168
(Loss) / profit before taxation		**(30,335)**	18,210
Tax on (loss) / profit	10	**4,476**	(5,738)
(Loss) / profit for the financial year		**(25,859)**	12,472
Other comprehensive (expense) / income:			
Remeasurements of net defined benefit obligation	18	**(11,350)**	2,845
Other comprehensive income / (expense)		**357**	(693)
Deferred tax on other comprehensive income / (expense)	10	**2,523**	(396)
Other comprehensive (expense) for the year, net of tax		**(8,470)**	1,756
Total comprehensive (expense) / income for the year		**(34,329)**	14,228

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

Consolidated balance sheet
as at 31 December 2020

	Note	**2020** **£'000**	2019 £'000
Fixed assets			
Intangible assets	11	**43,625**	45,993
Tangible assets	12	**51,860**	59,394
		95,485	105,387
Current assets			
Inventories	14	**59,678**	65,629
Debtors	15	**92,752**	90,818
Cash at bank and in hand		**21,378**	175
		173,808	156,622
Creditors: amounts falling due within one year	17	**(105,249)**	(72,311)
Net current assets		**68,559**	84,311
Total assets less current liabilities		**164,044**	189,698
Post-employment benefits	18	**(27,456)**	(18,315)
Provision for other liabilities	20	**(1,730)**	(2,285)
Net assets		**134,858**	169,098
Capital and reserves			
Called-up share capital	21	**72,600**	72,600
Capital contribution reserve	21	**1,287**	1,145
Capital redemption reserve	21	**32**	32
Other reserve	21	**21,999**	21,999
Retained earnings		**38,940**	73,322
Total equity		**134,858**	169,098

The notes on pages 21 to 49 form an integral part of these financial statements.

The financial statements on pages 16 to 19 were authorised for issue by the board of directors on 30 November 2021 and were signed on its behalf.

D Carr
Director

Registered number: 04184676

Consolidated statement of changes in equity

	Note	Called up share capital £'000	Capital contribution reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2019		72,600	1,112	32	21,999	74,094	169,837
Total comprehensive income for the year							
Profit for the year		-	-	-	-	12,472	12,472
Other comprehensive income for the year		-	-	-	-	1,756	1,756
Total comprehensive income for the year		-	-	-	-	14,228	14,228
Credit relating to equity-settled share-based payments		-	33	-	-	-	33
Dividends		-	-	-	-	(15,000)	(15,000)
Total transactions with owners, recognised directly in equity		-	33	-	-	(15,000)	(14,967)
Balance as at 31 December 2019 and 1 January 2020		**72,600**	**1,145**	**32**	**21,999**	**73,322**	**169,098**
Total comprehensive income for the year							
Profit for the year		-	-	-	-	**(25,859)**	**(25,859)**
Other comprehensive income for the year		-	-	-	-	**(8,470)**	**(8,470)**
Total comprehensive income for the year		-	-	-	-	**(34,329)**	**(34,329)**
Credit relating to equity-settled share-based payments		-	**142**	-	-	-	**142**
Prior year adjustment		-	-	-	-	**(53)**	**(53)**
Dividends		-	-	-	-	-	-
Total transactions with owners, recognised directly in equity		-	**142**	-	-	**(53)**	**89**
Balance as at 31 December 2020		**72,600**	**1,287**	**32**	**21,999**	**38,940**	**134,858**

Consolidated statement of cash flows

	Note	**2020** £'000	2019 £'000
Net cash from operating activities	22	**30,375**	33,329
Taxation refunded / (paid)		**233**	(4,360)
Net cash generated from operating activities		**30,608**	28,969
Cash flow from investing activities			
Purchase of intangible assets		**(5,928)**	(14,328)
Purchase of tangible assets		**(1,404)**	(474)
Proceeds from disposals of tangible assets		**48**	1,024
Interest received		**3,596**	899
Net cash used in investing activities		**(3,688)**	(12,879)
Cash flow from financing activities			
Repayment of finance leases		**(9)**	(17)
Dividends paid to owners of the parent		**-**	(15,000)
Interest paid		**(3,593)**	(731)
Net cash used in financing activities		**(3,602)**	(15,748)
Net increase in cash and cash equivalents		**23,318**	342
Cash and cash equivalents at the beginning of the year		**(1,709)**	(2,211)
Exchange gains / (losses) on cash and cash equivalents		**(231)**	160
Cash and cash equivalents at the end of the year		**21,378**	(1,709)
Cash and cash equivalents consist of:			
Cash at bank and in hand		**21,378**	175
Bank overdraft		**-**	(1,884)
Cash and cash equivalents		**21,378**	(1,709)

The Group is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the Company statement of cash flows.

Company balance sheet
as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	11	**23,084**	23,666
Tangible assets	12	**41,043**	49,179
Investments	13	**95,056**	95,056
		159,183	167,901
Current assets			
Inventories	14	**53,745**	59,342
Debtors	15	**85,672**	85,965
Cash at bank and in hand		**18,733**	164
		158,150	145,471
Creditors: amounts falling due within one year	17	**(136,890)**	(116,625)
Net current assets		**21,260**	28,846
Total assets less current liabilities		**180,443**	196,747
Post-employment benefits	18	**(27,456)**	(18,315)
Provision for other liabilities	20	**(1,730)**	(2,285)
Net assets		**151,257**	176,147
Capital and reserves			
Called-up share capital	21	**72,600**	72,600
Other reserves	21	**23,078**	22,946
Retained earnings		**55,579**	80,601
Total equity		**151,257**	176,147

The notes on pages 22 to 50 are an integral part of these financial statements.

The loss for the financial year dealt with in the financial statements of the parent Company was £16.6m (2019: £9.3m profit)

The financial statements on pages 20 to 21 were authorised for issue by the board of directors on 30 November 2021 and were signed on its behalf.

D Carr
Director

Registered number: 04184676

Company statement of changes in equity

	Called up share capital	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
Balance as at 1 January 2019	72,600	22,918	84,520	180,038
Total comprehensive income for the year				
Profit for the year	-	-	9,298	9,298
Other comprehensive income for the year	-	-	1,783	1,783
Total comprehensive income for the year	-	-	11,081	11,081
Credit relating to equity-settled share-based payments	-	28	-	28
Dividends	-	-	(15,000)	(15,000)
Total transactions with owners, recorded recognised directly in equity	-	28	(15,000)	(14,972)
Balance as at 31 December 2019 and 1 January 2020	**72,600**	**22,946**	**80,601**	**176,147**
Total comprehensive income for the year				
Loss for the year	-	-	**(16,552)**	**(16,552)**
Other comprehensive expense for the year	-	-	**(8,470)**	**(8,470)**
Total comprehensive expense for the year	-	-	**(25,022)**	**(25,022)**
Credit relating to equity-settled share-based payments	-	**132**	-	**132**
Dividends	-	-	-	-
Total transactions with owners, recorded recognised directly in equity	-	**132**	-	**132**
Balance as at 31 December 2020	**72,600**	**23,078**	**55,579**	**151,257**

Notes to the consolidated financial statements
for the year ended 31 December 2020

1. General information

Nobia Holdings UK Limited ('the Company') and its subsidiaries (together 'the Group') operate a number of factories, distribution centres and stores throughout the UK. The group operates with a number of recognised brand names.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 3 Allington Way, Yarm Road Business Park, Darlington, County Durham, DL1 4XT.

2. Statement of compliance

The Group and individual financial statements of Nobia Holdings UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has applied the following amendments to FRS 102 issued by the FRC for the first time during the year:

- The amendments issued by the FRC in October 2020. The amendments apply to temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic, when any reduction in lease payments affects only payments originally due on or before 30 June 2021.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptionsand estimates are significant to the financial statements, are disclosed in note 3.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 from presenting its individual profit and loss account.

The Group's ultimate parent undertaking, Nobia AB, includes the Group in its consolidated financial statements. The consolidated financial statements of Nobia AB are available to the public and may be obtained from the address provided in note 25.

b. Going concern

After making enquiries and taking account of the principal risks and uncertainties set out within the Strategic Report, the directors considered that at the time of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. The Group has recommenced operations following the COVID-19 pandemic and revenue is expected to be generated over the next 12 months from secured and future orders.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

b. Going concern (continued)

The directors have also prepared a cash flow forecast which extends at least 12 months from the date of signing the financial statements. The Group has no external debt at the point of signing and has a UK cash pooling arrangement and group overdraft facility in place with its bank in which its parent company Nobia AB participates. This will be in place throughout the 12-month forecast period. Based on a 20% downwards revenue scenario the UK Group would still have 50% of its cash resources remaining, ensuring that Nobia Holdings UK Limited will continue as a going concern. By taking appropriate mitigating actions the Group considers that cash resources would be sufficient to cover its fixed costs for at least 12 months as it has significant liquid resource at the point of signing the accounts. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;

- from the financial instrument disclosures, required under FRS 102 paragraphs,11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26,12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;

- from disclosing share-based payment arrangements, required under FRS 102paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and

- from disclosing the company key management personnel compensation, asrequired by FRS 102 paragraph 33.7.

d. Parental guarantee exemption

For the year ending 31 December 2020 the following subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Name	Companies House Registration Number
Charco Ninety-Nine Limited	02305906
CIE plc	00620180
CIE UK (Holdings) Limited	02249369
Commodore Kitchens Limited	01418535
Essenza Interiors Limited	07333974
Gower Furniture Limited	01536818
Gower Group Limited	04083229
Magnet Limited	02762625

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

e. Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings.

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 a subsidiary has different accounting policies to the group, adjustments aremade to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

All intra-group transactions, balances, income and expenses are eliminated onconsolidation. 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.

f. Foreign currency

i. Functional and presentation currency
The Group financial statements are presented in pound sterling and rounded to thousands.

The Company's functional and presentation currency is the pound sterling.

ii. Transactions and balances
Transactions in foreign currencies are translated to the Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange differences arising on translation are recognised in the profit and loss account.

g. Revenue Recognition

Turnover represents the amount receivable in the ordinary course of business from the provision of goods to customers. Turnover is measured at the fair value of the right to consideration net of sales related rebates, discounts and value added tax. Ex-stock turnover is recognised at the point of sale, whilst consumer and direct sales turnover is recognised at the point of despatch. Installation revenues are recognised on completion of the work.

Turnover, which is stated net of value added tax, represents amounts invoiced to customers. Turnover is attributable to the sales of high quality self-assembly and rigid kitchens and the sales of kitchen products and is conducted in one significant geographical area, being the United Kingdom.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, netof returns, discounts and rebates allowed by the group and value added taxes.

The Group bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of eacharrangement.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

g. Revenue Recognition (continued)

Where the consideration receivable in cash or cash equivalents is deferred, and thearrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Group's sales channels have been met, as described below.

i. Sale of goods – retail
The Group operates retail shops for the sale of a range of branded and own brandedproducts. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

Sales are made to retail customers with a right to return within 28 days, subject to certain conditions regarding the usage. Accumulated experience is used to estimateand provide for such returns at the time of sale.

ii. Sale of goods – internet-based transactions
The Group sells goods via its websites for delivery to the customer or 'click and collect' at its retail shops. Revenue is recognised when the risks and rewards of the inventory are passed to the customer. For deliveries to the customer this is the point of acceptance of the goods by the customer and for 'click and collect' this is the time of collection. Transactions are settled by credit or payment card.

iii. Contract revenue
Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, contract costs are recognised as expenses in the year in which they are incurred, and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

iv. Interest income
Interest income is recognised using the effective interest rate method. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

v. Dividend income
Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established.

h. Employee benefits

The group provides a range of benefits to employees, including annual bonusarrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

i. Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits,are recognised as an expense in the period in which the service is received.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

h. **Employee benefits** (continued)

ii. Defined contribution plans and other long-term employee benefits
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

iii. Defined benefit pension plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/ (asset) is recognised in other comprehensive income in the period in which it occurs.

iv. Annual bonus plan
The Group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

v. Share-based payments

Group and company
The Group provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensedon a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date ofmodification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

The Group has no cash-settled arrangements.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

h. Employee benefits (continued)

vi. Long term incentive plans
The Group operates cash-settled long term incentive plans at an operating businesslevel for certain members of management. The plans are based on the business's performance over a three-year period against budget on a variety of measures, including revenue growth, an adjusted operating profit measure, cash targets and an individual's personal targets in developing the business. A liability for the plan is raised on the estimated amount payable in terms of the incentive scheme plans.

vii. Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

i. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

i. Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

ii. Deferred tax
Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences between accumulated depreciation and tax allowances for the cost of a fixed asset are not provided for if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

j. Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

k. Intangible assets and goodwill

i. Goodwill
Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

ii. Amortisation
Amortisation is charged to the profit or loss account on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

Software is amortised on a straight-line basis over its useful life. The finite useful life of software is estimated to be 5 years. This represents an estimate of the period over which the Group will derive direct economic benefit from the software.

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 20 years.

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2020

l. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold and long leasehold buildings	10 - 50 years
Short leasehold and buildings	10 years
Plant, equipment, and vehicles	3 - 10 years
Fixtures, fittings and displays	5 - 8 years

Assets under construction are not depreciated until construction is complete and the asset is reclassified into one of the above fixed asset categories.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

m. Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease basedon the substance of the arrangement.

Operating leased assets
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

n. Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than stocks and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o. Investments – Company
Investment in a subsidiary company is held at cost less accumulated impairment losses.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

p. Inventories
Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profitand loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

q. Cash and cash equivalents
Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

r. Provisions and contingencies

i. Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

In particular:

- The vacant property costs provision relates to costs associated with onerous leases on specific stores that have been vacated. The current provision will be utilised against costs incurred on a store-by-store basis over the next one to five years.

- Property provisions consist primarily of dilapidations costs relating to stores that are either closed or closing. The costs are generally expected to be incurred on a store-by-store basis over the next five years.

ii. Contingencies
Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

s. Classification of financial instruments issued by the Company
In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

t. Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries
These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

u. Share Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v. Distributions to equity holders
Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

w. One-off supplier receipts

From time to time, the Group receives payments from suppliers which are not related to the volume of product that is purchased. These receipts are held in the balance sheet as deferred income and released on a straight-line basis, over the length of the contract. Rebates received which are related to volume of product are accounted for immediately through the profit and loss account.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

x. Critical accounting judgements and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the preparation of the financial statements, it is necessary for the management of the Company to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from those estimates

a) Critical judgements in applying the group's accounting policies
In the view of the directors, there are no critical accounting judgements in the preparation of these financial statements.

b) Key accounting estimates and assumptions
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Defined benefit pension scheme (note 18)
The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the balance sheet. The assumptions reflect historical experience and current trends. See note 18 for the disclosures relating to the defined benefit pension scheme.

ii. Property provision (note 20)
Provision is made for dilapidations. This requires management's best estimate of the expenditure that will be incurred based on contractual requirements. In addition,the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement. For further details and range of potential provision values, see note 20.

4. Turnover

Analysis of turnover by category:

	2020	2019
	£'000	£'000
Sale of goods	**364,548**	446,885
Rendering of services	**17,896**	23,005
Kitchen installation contracts	**11,618**	19,469
	394,062	489,359

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

5. Other operating income

	2020	2019
	£'000	£'000
Government grant - CJRS	**9,871**	-
Other local council grants	**64**	-
	9,935	-

6. Operating profit

Operating profit is stated after charging / (crediting):

	Note	2020	2019
	Note	£'000	£'000
Wages and salaries		**88,144**	88,556
Social security costs		**8,635**	8,406
Other pensions costs	18	**3,881**	3,598
Share-based payments	8	**142**	33
Long-term employee benefits	18	**827**	626
Staff costs charged to profit and loss		**101,629**	101,219
Profit / (loss) on disposal of tangible assets		**220**	(38)
Government grants		**(9,871)**	-
Impairment of trade receivables		**1,568**	701
Reversal of impairment of trade receivables		**(3)**	(58)
Reversal of impairment of tangible assets (included in 'administrative expenses')		**-**	(296)
Inventory recognised as an expense		**189,722**	226,285
Impairment of inventory (included in 'cost of sales')		**5,671**	468
Operating lease charges		**31,444**	29,869
Foreign exchange (gains) / losses		**(12)**	810
Fees payable to the company's auditor and its associates for the audit of the parent company and the group's consolidated financial statements		**146**	106
Fees payable to the company's auditor and its associates for other services:			
- Audit of the company's subsidiaries		**85**	72
- Non-audit services		**-**	-
Total amount payable to the company's auditor and its associates		**231**	178

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

7. Employees and directors

Employees

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

	2020	2019
	No.	No.
Manufacturing and distribution	**920**	959
Sales and marketing	**1,564**	1,619
Office management	**300**	296
	2,784	2,874

Directors

The directors' emoluments were as follows:

	2020	2019
	£'000	£'000
Aggregate remuneration	**2,342**	1,410
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	**-**	-

	No.	No.
Post-employment benefits are accruing to the following number of directors under:		
Defined benefit scheme	**-**	-
Defined contribution scheme	**5**	5
Number of directors who received shares under a long-term incentive scheme	**5**	5
Number of directors who exercised share options in the parent's shares during the year	**-**	-

Highest paid director

The highest paid director's emoluments were as follows:

	2020	2019
	£'000	£'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	**1,208**	433
Defined benefit contribution scheme	**5**	10
Compensation for loss of office	**30**	-

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2020	2019
	£'000	£'000
Salaries and other short-term benefits	**3,851**	2,239
Post-employment benefits	**231**	195
Share based payments	**142**	33
Compensation for loss of office	**112**	-

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

8. Share-based payments

Certain employees of the Group have been awarded share options in the ultimate parent undertaking, Nobia AB. These share options are equity settled and awarded directly by the ultimate parent undertaking.

The Group recognises the share-based payment expense based on an allocation of its share of the group's total expense, calculated in proportion to the number of participating employees. The expense recognised in the profit and loss during the year to 31 December 2020 is £142k *(2019: £33k)*.

Further details relating to the Nobia AB employee share option scheme can be found in the financial statements of Nobia AB, available from the address given in note 25. The nature and extent of share-based payments that existed during the year were as follows:

Performance share plan 2019-2022
At the 2019 Nobia AB Annual General Meeting, resolutions were made in accordance with the Board's proposal to implement an incentive scheme in the form of a Performance Share Plan. The Performance Share Plan contains performance share rights which give entitlement to Nobia shares if the participant remains in employment and the accumulated earnings per share are sufficiently high during the vesting period.

The terms and conditions of grants are as follows, whereby all options are settled by physical delivery of shares.

a) Participation in the plan requires an investment in Nobia shares corresponding to 25, 50, 75 or 100 per cent of the employee's monthly salary.
b) At the end of the vesting period, the participants will be allotted shares in Nobia free of charge, provided that certain conditions are fulfilled.
c) A participant's entitlement to receive shares in Nobia for matching share rights requires continued employment in the Nobia Group during the vesting period, three years, and that entire investment in Nobia shares has remained during the same period.
d) Each Saving Share carries entitlement to a maximum of seven share rights for the President of Nobia AB, six share rights for other members of Group Management and four share rights for other senior executives.
e) Allotment of shares requires that the performance targets related to average operating profit (EBIT) and total shareholder return (TSR) on the company's shares have been achieved.

Share options, granted to executives and senior managers of the Company, that existed at the end of the year were as follows:

Shares	No. of share options at the end of the year	No. of share options at the beginning of year	Exercise price (£)	Expiry date
2019 - 2022	125,108	222,122	Nil	April / May 2022

No new performance share plan was launched in 2020.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

9. Net interest income

a) Interest receivable and similar income

	2020	2019
	£'000	£'000
Interest on short-term deposits	**11**	8
Interest on amounts owed by ultimate parent undertaking	**3,585**	891
	3,596	899

b) Interest payable and similar charges

	2020	2019
	£'000	£'000
Net interest expense on post-employment benefits	**(335)**	(676)
Interest on bank overdrafts and loans	**(28)**	(4)
Interest on finance leases and hire purchase contracts	**-**	(1)
Interest on amounts owed to ultimate parent undertaking	**(3,230)**	(50)
	(3,593)	(731)

c) Net interest income

	2020	2019
	£'000	£'000
Interest receivable and similar income	**3,596**	899
Interest payable and similar charges	**(3,593)**	(731)
Net interest income	**3**	168

10. Income Tax

a) Tax expense included in profit or loss

	2020	2019
	£'000	£'000
Current tax:		
- UK Corporation tax on profits for the year	**(2,759)**	4,294
- Adjustment in respect of prior periods	**(873)**	(136)
Total current tax	**(3,632)**	4,158
Deferred tax:		
- Origination and reversal of timing differences	**(1,242)**	191
- Adjustment in respect of prior periods	**(22)**	553
- Impact of change in tax rate	**-**	-
- Current tax deductions allocated to actuarial losses	**420**	836
Total deferred tax	**(844)**	1,580
Tax on (loss) / profit	**(4,476)**	5,738

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

10. **Income Tax** (continued)

b) Tax (income) / expense included in other comprehensive income

	2020 £'000	2019 £'000
Deferred tax		
- Origination and reversal of timing differences	**(2,523)**	541
- Impact of change in tax rate	**-**	(145)
Total tax (income) / expense included in other comprehensive income	**(2,523)**	396

c) Reconciliation of tax charge

Tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019:19%). The differences are explained below:

	2020 £'000	2019 £'000
(Loss) / profit before tax	**(30,325)**	18,210
Profit multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	**(5,762)**	3,460
Effects of:		
- Expenses not deductible for tax purposes	**1,886**	1,216
- Adjustments in respect of prior years	**(895)**	94
- Short term timing differences	**1,225**	711
- Permanent capital allowances in excess of depreciation	**(122)**	(8)
- Reduction in tax rate on deferred tax balances	**-**	5
- Origination and reversal of timing differences	**(1,242)**	-
- Current tax deductions allocated to actuarial losses	**420**	-
- Other	**14**	260
Tax charge for the year	**(4,476)**	5,738

d) Tax rate changes

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.
An increase in the corporation tax rate to 25% from April 2023 has also been enacted in 2021.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

11. Intangible assets

Group	Goodwill £'000	Software £'000	Total £'000
Cost			
At 1 January 2020	**116,939**	**12,750**	**129,689**
Additions	-	1,404	1,404
Disposals	-	(2)	(2)
Transfers	-	3,381	3,381
At 31 December 2020	**116,939**	**17,533**	**134,472**
Amortisation and impairment			
At 1 January 2020	**72,783**	**10,913**	**83,696**
Amortisation for the year	5,779	1,372	7,151
At 31 December 2020	**78,562**	**12,285**	**90,847**
Net book value			
At 31 December 2020	**38,377**	**5,248**	**43,625**
At 31 December 2019	44,156	1,837	45,993

Company	Goodwill £'000	Software £'000	Total £'000
Cost			
At 1 January 2020	**73,345**	**11,002**	**84,347**
Additions	-	918	918
Disposals	-	(2)	(2)
Transfers	-	3,381	3,381
At 31 December 2020	**73,345**	**15,299**	**88,644**
Amortisation and impairment			
At 1 January 2020	**51,107**	**9,574**	**60,681**
Amortisation for the year	3,667	1,214	4,881
Disposals	-	(2)	(2)
At 31 December 2020	**54,774**	**10,786**	**65,560**
Net book value			
At 31 December 2020	**18,571**	**4,513**	**23,084**
At 31 December 2019	22,238	1,428	23,666

Goodwill is being amortised on a straight-line basis over 20 years. This is the period over which the directors estimate that the values of the underlying businesses acquired are expected to exceed the value of the underlying assets.

The amortisation charge is recognised within administrative expenses in the profit and loss account.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

12. Tangible assets

Group	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Plant, equipment and vehicles £'000	Fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 January 2020	13,167	40,030	66,322	2,377	8,562	**130,458**
Additions	447	726	4,242	555	(42)	**5,928**
Disposals	(131)	(158)	(911)	(59)	-	**(1,259)**
Transfers	-	710	563	48	(4,702)	**(3,381)**
At 31 December 2020	**13,483**	**41,308**	**70,216**	**2,921**	**3,818**	**131,746**
Depreciation						
At 1 January 2020	4,044	21,908	43,872	1,240	-	**71,064**
Charge for year	856	1,732	6,907	318	-	**9,813**
Disposals	(56)	(70)	(820)	(45)	-	**(991)**
At 31 December 2020	**4,844**	**23,570**	**49,959**	**1,513**	**-**	**79,886**
Net book value						
At 31 December 2020	**8,639**	**17,738**	**20,257**	**1,408**	**3,818**	**51,860**
At 31 December 2019	9,123	18,122	22,450	1,137	8,562	**59,394**

Where assets are under hire purchase or finance leases, they are pledged as security until the associated finance agreement is settled.

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

	Group	
	2020	2019
	£'000	£'000
Plant and machinery	-	-
Depreciation charge for the year in respect of leased assets	-	14

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

12. Tangible assets (continued)

Company	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Plant, equipment and vehicles £'000	Fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 January 2020	13,167	27,665	62,945	1,764	8,562	114,103
Additions	447	567	3,463	-	(43)	4,434
Disposals	(131)	(158)	(886)	-	-	(1,175)
Transfers	-	710	563	48	(4,702)	(3,381)
At 31 December 2020	13,483	28,784	66,085	1,812	3,817	113,981
Depreciation						
At 1 January 2020	4,044	17,710	42,115	1,055	-	64,924
Charge for year	856	1,537	6,371	170	-	8,934
Disposals	(56)	(70)	(794)	-	-	(920)
At 31 December 2020	4,844	19,177	47,692	1,225	-	72,938
Net book value						
At 31 December 2020	8,639	9,607	18,393	587	3,817	41,043
At 31 December 2019	9,123	9,955	20,830	709	8,562	49,179

13. Subsidiaries and related undertakings

The list of subsidiaries and other related is as follows:

Name	Address of the registered office	Nature of business	Interest
CIE plc	Note [5]	Supply and installation of kitchens	100% ordinary*
Commodore Kitchens Limited	Note [5]	Supply and installation of kitchens	100% ordinary
Gower Furniture Limited	Note [2]	Act as an agent specialising in the manufacture, and sale of kitchen related products under the Gower brand	100% ordinary*
Magnet Limited	Note [1]	Act as an agent specialising in the manufacture, merchanting and retailing of kitchens, joinery and related products under the Magnet brand	100% ordinary
Magnet (Isle of Man) Limited	Note [4]	Retailing of fitted kitchens and related products	100% ordinary*
Rixonway Kitchens Limited	Note [3]	Kitchen manufacturer	100% ordinary*
Charco Ninety-Nine Limited	Note [2]	Holding company	100% ordinary*
CIE UK (Holdings) Limited	Note [5]	Holding company	100% ordinary
Gower Group Limited	Note [2]	Holding company	100% ordinary
Rollfold Holdings Limited	Note [3]	Holding company	100% ordinary
Rollfold Group Limited	Note [3]	Holding company	100% ordinary*
Addspace Products Limited [6]	Note [2]	Dormant	100% ordinary*
Aqua Ware Limited [7]	Note [1]	Dormant	100% ordinary*
Beverley Doors Limited [7]	Note [2]	Dormant	100% ordinary*
Eastham Limited [6]	Note [1]	Dormant	100% ordinary
Essenza Interiors Limited	Note [5]	Dormant	100% ordinary
Eurostyle Furniture Limited [6]	Note [2]	Dormant	100% ordinary*

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

13. Subsidiaries and related undertakings (continued)

Name	Address of the registered office	Nature of business	Interest
Firenzi Kitchens Limited [6]	Note [1]	Dormant	100% ordinary
Flint Properties Limited [6]	Note [1]	Dormant	100% ordinary*
Gower Garden Furniture Limited [6]	Note [2]	Dormant	100% ordinary*
Gower Windows Limited [6]	Note [2]	Dormant	100% ordinary*
Hyphen Fitted Furniture Limited [6]	Note [1]	Dormant	100% ordinary
Larkflame Limited [6]	Note [1]	Dormant	100% ordinary
Magnet & Southern Limited	Note [1]	Dormant	100% ordinary
Magnet Distribution Limited	Note [1]	Dormant	100% ordinary
Magnet Furniture Limited	Note [1]	Dormant	100% ordinary
Magnet Group Limited	Note [1]	Dormant	100% ordinary
Magnet Group Trustees Limited	Note [1]	Dormant	100% ordinary*
Magnet Industries Limited	Note [1]	Dormant	100% ordinary
Magnet Joinery Limited	Note [1]	Dormant	100% ordinary
Magnet Kitchens Limited	Note [1]	Dormant	100% ordinary
Magnet Manufacturing Limited	Note [1]	Dormant	100% ordinary
Magnet Retail Limited	Note [1]	Dormant	100% ordinary
Magnet Supplies Limited	Note [1]	Dormant	100% ordinary
Perfectshot Limited [6]	Note [2]	Dormant	100% ordinary*
The Penrith Joinery Company Limited [7]	Note [1]	Dormant	100% ordinary*
Working Systems Limited	Note [2]	Dormant	100% ordinary*
Wor Limited [6]	Note [2]	Dormant	100% ordinary*

* shares held indirectly

[1] registered office: 3 Allington Way, Yarm Road Business Park, Darlington, County Durham, DL1 4XT.
[2] registered office: Holmfield Industrial Estate, Halifax, West Yorkshire, HX2 9TN.
[3] registered office: Churwell Vale, Shaw Cross Business Park, Dewsbury, West Yorkshire, WF12 7RD.
[4] registered office: Millennium House, Victoria Road, Douglas, Isle of Man, IM2 4RW.
[5] registered office: Acorn House, Gumley Road, Grays, Essex, RM20 4XP.
[6] the company was dissolved on 8 January 2019
[7] the company was dissolved on 15 January 2019

14. Inventories

	Group		Company	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**9,592**	11,578	**8,153**	9,346
Work in progress	**875**	2,324	**734**	2,256
Finished goods and goods for resale	**49,211**	51,727	**44,858**	47,740
	59,678	65,629	**53,745**	59,342

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Inventories are stated after provisions for impairment of Group: £6,794k *(2019: £3,714k); Company £5,645k (2019: £3,535k).*

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

15. Debtors

		Group		Company	
		2020	2019	**2020**	2019
	Note	**£'000**	£'000	**£'000**	£'000
Trade debtors		**47,425**	51,316	**33,102**	36,883
Gross amounts owed by contractors		**1,647**	738	**-**	-
Corporation tax recoverable		**2,763**	-	**2,346**	-
Amounts owed by group undertakings		**22,132**	14,280	**38,684**	31,161
Other debtors		**6,740**	5,219	**1,025**	54
Prepayments and accrued income		**6,890**	17,367	**5,883**	15,953
Deferred tax asset	16	**5,155**	1,898	**4,632**	1,914
		92,752	90,818	**85,672**	85,965
Due within one year		**83,937**	85,498	**81,040**	84,051
Due after more than one year		**8,815**	5,320	**4,632**	1,914
		92,752	90,818	**85,672**	85,965

Trade debtors are stated after provisions for impairment of Group: £1,225k (2019: £632k); Company: £781k *(2019: £440k)*.

Amounts owed by group undertakings are unsecured, interest bearing and are repayable on demand.

16. Deferred tax assets and liabilities

Deferred tax assets / (liabilities) are attributable to the following:

		Group		Company	
		2020	2019	**2020**	2019
	Note	**£'000**	£'000	**£'000**	£'000
Post-employment benefits		**5,217**	3,113	**5,217**	3,113
Capital allowances		**(636)**	(1,267)	**(675)**	(1,336)
Capital gains		**-**	(124)	**-**	-
Accelerated depreciation		**11**	11	**-**	-
Corporation tax losses carried forward		**552**	-	**-**	-
Other timing differences		**11**	165	**90**	137
Net tax assets / (liabilities)		**5,155**	1,898	**4,632**	1,914

There are no unused tax losses or unused tax credits.

The deferred tax liability expected to reverse in 2021 primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

17. Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	**2020**	2019
	Note	**£'000**	£'000	**£'000**	£'000
Bank overdraft		**-**	1,884	**-**	12,696
Trade creditors		**60,977**	41,603	**54,923**	36,783
Gross amounts owed to contractors		**115**	21	**-**	-
Amounts owed to group undertakings		**11**	2	**41,862**	42,386
Finance leases		**-**	9	**-**	-
Corporation tax	10	**-**	609	**-**	489
Other taxation and social security		**17,782**	5,974	**16,854**	5,210
Other creditors		**7,423**	9,384	**7,863**	9,252
Accruals and deferred income		**18,941**	12,825	**15,388**	9,809
		105,249	72,311	**136,890**	116,625

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

18. Post-employment benefits

The Company operates a defined benefit pension scheme which has been closed to new members since 1 November 1999 and the Group operates a defined contribution scheme for its UK employees.

The amount recognised in the profit and loss account is as follows:

		Group		Company	
		2020	2019	**2020**	2019
	Note	**£'000**	£'000	**£'000**	£'000
Defined benefit scheme					
- Current service cost		**1,527**	626	**1,527**	626
Defined contribution scheme	6	**3,881**	3,598	**3,032**	2,800
Total charge in operating profit		**5,408**	4,224	**4,559**	3,426
Defined benefit scheme					
- Net interest expense	9	**335**	676	**335**	676
Total charge		**5,743**	4,900	**4,894**	4,102

a) Defined contribution pension scheme

The Group operates a defined contribution pension scheme, the Nobia UK Retirement Plan (formerly Magnet Money Purchase Plan). This plan is a qualifying auto enrolment vehicle.

The amount recognised as an expense for the defined contribution scheme was:

	Group		Company	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Current year contributions	**3,881**	3,598	**3,032**	2,800

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

18. Post-employment benefits (continued)

b) Defined benefit pension scheme

Until 31 December 2012 Magnet Limited, a subsidiary undertaking also provided pension arrangements to employees through a defined benefit scheme, the Magnet Group Pension Scheme. During 2013 the Company entered into a Deed of Substitution with Magnet Limited and the trustees of the Magnet Group Pension Scheme, pursuant to which the Company was substituted as the participating employer in relation to Magnet Limited's defined benefit pension scheme. The liabilities of Magnet Limited to the pension scheme were apportioned to the Company.

The scheme has been closed to new members since 1 November 1999. The scheme closed to future accrual with effect from 31 December 2009 and for active members of the scheme the link to salary was removed. Active members are entitled to join the Nobia UK Retirement Plan.

Costs in relation of the Company's defined benefit scheme are assessed in accordance with the advice of professionally qualified actuaries. The pension scheme is funded by the payment of contributions to separately administered trust funds.

The valuation used for FRS 102 disclosures has been based on a full formal actuarial valuation as at 31 October 2017 and was updated for FRS 102 purposes to 31 December 2020 by a qualified independent actuary. The present values of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method.

Employer contributions over the accounting period amounted to £4.1m *(2019: £5.7m)*. Three months of contributions were deferred during the early part of the pandemic, but they were repaid in 2021. It has been agreed that employer contribution of £5.5m per annum to 31 July 2026 will apply plus payment of the PPF levy.

The information disclosed below is in respect of the Magnet Group Pension Scheme as a whole for which the Company is legally responsible throughout the periods shown.

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2020	2019
	%	%
Discount rate	**1.40**	2.10
Rate of increase to pensions in payment		
- benefits accrued pre 6 April 1997	**-**	-
- benefits accrued between 6 April 1997 and 6 April 2006	**2.75**	2.60
- benefits accrued post 6 April 2006	**1.80**	1.60
Deferred revaluation	**1.95**	1.90
RPI inflation	**2.85**	2.70
CPI inflation	**1.85**	1.90

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

18. Post-employment benefits (continued)

The mortality assumptions used were as follows:

	2020	2019
	%	%
Longevity at age 65 for current pensioners		
- Men	**20.7**	20.7
- Women	**23.5**	23.5
Longevity at age 65 for future pensioners		
- Men	**22.4**	22.5
- Women	**25.4**	25.4

If actuarial assumptions changed r, the value of the reported liabilities at 31 December 2020 would have varied by £'000

	Increase	**Decrease**
Sensitivity analysis:		
Discount rate (1% change)	(46,942)	56,817
Life expectancy (1 year change)	10,383	(10,036)
Future pension increased (1% change)	27,212	(27,846)

Reconciliation of scheme assets and liabilities:

	Assets	**Liabilities**	**Total**
	£'000	**£'000**	**£'000**
At 1 January 2020	247,157	(265,472)	(18,315)
Benefits paid	(9,231)	9,231	-
Employer contributions	4,071	-	4,071
Current service cost	(827)	-	(827)
Past service cost	-	(700)	(700)
Interest income / (expense)	5,158	(5,493)	(335)
Remeasurement gains / (losses)			
- Actuarial losses	-	(38,595)	(38,595)
- Return on plan assets excluding interest income	27,245	-	27,245
At 31 December 2020	273,573	(301,029)	(27,456)

Total cost recognised as an expense:

	2020	2019
	£'000	£'000
Current service cost	**(827)**	(626)
Past service cost	**(700)**	-
Interest cost	**(335)**	(676)
	(1,862)	(1,302)

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

18. Post-employment benefits (continued)

Gains and losses recognised directly in equity:

	2020	2019
	£'000	£'000
Actuarial losses on defined benefit obligation	**(38,595)**	(25,026)
Return on plan assets less interest income	**27,245**	27,871
(Losses)/Gains recognised in the year	**(11,350)**	2,845

No amounts (2019: nil) were included in the cost of assets.

The fair value of the plan assets was:

	2020	2019
	£'000	£'000
Equity instruments	**33,798**	30,668
Debt instruments	**210,441**	203,474
Cash and cash equivalents	**29,334**	13,015
	273,573	247,157

At 31 December 2020, none of the fair value of scheme assets related to self-investment.

The return on the plan assets was:

	2020	2019
	£'000	£'000
Interest income	**5,158**	6,159
Return on plan assets excluding interest income	**27,245**	27,871
Total return on plan assets	**32,403**	34,030

19. Finance lease obligations

Future minimum lease payments due under finance leases:

	Group		Company	
	2020	2019	**2020**	2019
Payments due	**£'000**	£'000	**£'000**	£'000
Within one year	-	9	-	-

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

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

20. Provisions for other liabilities

Group and Company	Dilapid-ation provision £'000	Onerous lease provision £'000	Total £'000
At 1 January 2020	965	1,320	2,285
Additions dealt with in profit and loss	573	-	573
Amounts utilised	(370)	(413)	(783)
Unused amounts reversed to the profit and loss account	(345)	-	(345)
At 31 December 2020	823	907	1,730

Dilapidation provision
As part of the Group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The dilapidations provision consists primarily of dilapidations costs relating to stores that are either closed or closing. The costs are generally expected to be incurred on a store-by-store basis over the next five years.

Onerous lease provision
Where leasehold properties become vacant, the group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal. The onerous lease provision relates to costs associated with onerous leases on specific stores that have been vacated. The current provision will be utilised against costs incurred on a store-by-store basis over the next one to five years.

21. Share capital and other reserves

Ordinary shares of £1 each	Group and Company	
	No.	
Allotted and fully paid	£'000	£'000
At 1 January 2020	72,600	72,600
At 31 December 2020	72,600	72,600

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Capital contribution reserve
Prior to 1 January 2013, certain employees of the Group were awarded share options in the ultimate parent undertaking, Nobia AB. The fair value of employee services received in exchange for grant of the options was recognised as an employee expense with a corresponding increase in the capital contribution reserves.

Capital redemption reserve
The capital redemption reserve balance is in relation to the historic company purchase of its own shares

Other reserve
The other reserve comprises negative goodwill arising on acquisitions made prior to 1 October 1999.

Dividends

A dividend of £nil was paid during the year *(2019: £15.0m)*.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

22. Notes to the cash flow statement

	2020 £'000	2019 £'000
(Loss) / profit before taxation	**(30,335)**	18,210
Finance costs	**3,593**	731
Finance income	**(3,596)**	(899)
Operating profit	**(30,338)**	18,042
Amortisation of intangible assets	**7,151**	6,648
Impairment of intangible assets	**-**	(603)
Depreciation of tangible assets	**9,813**	10,146
Loss / (profit) on disposal of tangible assets	**220**	(41)
Share-based payment charge	**142**	33
Pension liability payments	**(3,789)**	(5,500)
Other provisions less payments	**(555)**	(1,432)
Working capital movements:		
– Decrease / (increase) in inventories	**5,951**	(11,307)
– Increase in debtors	**4,583**	17,408
– Increase / (decrease) in payables	**37,197**	(65)
Cash flow from operating activities	**30,375**	33,329

Analysis of changes in net debt

	At 1 Jan 2020 £'000	Cash flows £'000	At 31 Dec 2020 £'000
Cash at bank and in hand	175	21,203	21,378
Bank overdraft	(1,884)	1,884	-
Total	(1,709)	23,087	21,378

23. Operating leases

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group		Company	
	2020	2019	2020	2019
Payments due	£'000	£'000	£'000	£'000
Not later than one year	**24,601**	23,483	**23,759**	22,545
Later than one year and not later than five years	**46,822**	65,088	**46,247**	64,064
Later than five years	**7,658**	19,147	**7,658**	19,147
	79,081	107,718	**77,664**	105,756

The Group and Company had no other off-balance sheet arrangements.

Non-cancellable operating lease rentals are payable as follows:
As a result of the Company entering into an agency agreement with Magnet Limited during 2013, commitments which were previously reported by Magnet Limited are now included in the balances above.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2020

24. Related party transactions

The Company is controlled by Nobia AB by virtue of their majority shareholding. The ultimate controlling party is Nobia AB.

In accordance with FRS 102.33, as the Company is a wholly owned subsidiary of Nobia AB, the Company has not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

25. Controlling party

The Company is a subsidiary undertaking of Nobia AB which is the ultimate parent company incorporated in Sweden.

The largest and smallest group in which the results of the Company are consolidated is that headed by Nobia AB, a company registered in Sweden. No other group financial statements include the results of the Company. The consolidated financial statements of Nobia AB can be obtained from the Secretary at the registered address Nobia AB, PO Box 70376, SE-107 24, Stockholm, Sweden.

26. Events after the reporting period

The COVID-19 pandemic continued to have an impact on 2021 trading and profitability. Magnet stores were shut during lockdown 3, reopening on 12th April 2021 and safety measures on construction sites reduced the volume of project sales. Sales into social housing continue to be the slowest sector to recover although orders are now improving gradually. Manufacturing has not been at full capacity due to the slower recovery in project and social housing order volumes but is now fully operational. A small number of staff remained on furlough after stores reopened but all colleagues are now back at work.

The decision has been made to capitalise on the knowledge and expertise within contract sales by merging the Rixonway and Magnet contract sales (project) divisions. This will give our customers the option of sourcing new build kitchen solutions via Magnet stores or a wholesale direct delivered route. This merger was completed during 2021.