

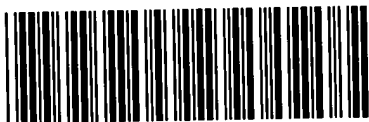
Registered number: 03689080

BOLTON GATE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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BOLTON GATE SERVICES LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | I North M A Craigen (appointed 23 November 2020) R L Baker (appointed 22 March 2021) |
| Registered number | 03689080 |
| Registered office | Units 5-9 North Luton Industrial Estate Sedgwick Road North Luton Industrial Estate Luton England LU4 9DT |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street Sheffield South Yorkshire S1 2GT |

BOLTON GATE SERVICES LIMITED

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BOLTON GATE SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Business review

There have been no significant changes in the company's principal activities in the year under review. The Directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next year.

The company is a market leading company in the Industrial Door Service sector in the UK.

The company continued its success as in previous years but with greater pressure on margins

New depots were opened in Sheffield and Aberdeen continuing the growth strategy.

Principal risks and uncertainties

Competitive pressure in the UK is a continuing challenge for the company. New competitors have entered the market.

Brexit continues as an obvious risk with a high degree of uncertainty in the market.

Skilled Service Engineer retention is important in the current competitive market.

Since the prior year, the impact of the global COVID-19 pandemic had led to massive changes to our market and also the wider economy. The company saw dramatic and overnight changes to orders received and our ability to supply products and services as the lockdown situation evolved. This has therefore created a new principal risk to the business. We very quickly put measures in place to deal with these issues including different working practices, temperature checks, screens and a range of social distancing measures. Business was interrupted for a short period but is now increasing and we expect it to be back to pre-COVID-19 levels as we progress through 2021.

This has obviously added a further financial burden to the business but with the continued support of Novoferm Europe and ultimately the Sanwa Group, Bolton Gate Services Limited's position remains positive going forward.

Financial risk management objectives and policies

The Company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The Company manages these risks by financing its operations through retained profits, supplemented by bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements.

The Company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

BOLTON GATE SERVICES LIMITED

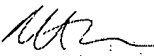
**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Key performance indicators

| | 2020 | 2019 |
|-----------------------|--------|--------|
| Turnover | £13.6m | £14.4m |
| Gross profit margin | 34.2% | 36.14% |
| Net profit before tax | £410K | £722K |

The balance sheet at the end of the year shows that the Company's financial position remains strong. There will be continued efforts by the National Sales team to identify and pursue new customers and areas of business.

This report was approved by the board and signed on its behalf.


M A Craigen
Director

Date: 27/9/2021

BOLTON GATE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activity

The company is the Industrial Door Servicing arm of Novoferm in the UK. The immediate parent company is Bolton Gate Services Holdings Limited, which is a wholly owned subsidiary of Novoferm UK Holdings Limited, which is part of the wider Novoferm Europe Group.

The Novoferm Europe Group represents the European operations of the Sanwa Holdings Corporation, Tokyo/Japan. The European group's activities are principally concerned with the manufacturing, sale, service and distribution of steel doors, doorframes and garage doors for residential, industrial and commercial purposes.

Results and dividends

The profit for the year, after taxation, amounted to £411,883 (2019 - £785,847).

Ordinary dividends were paid amounting to £Nil (2019: £Nil).

Directors

The directors who served during the year were:

J P S Baker (resigned 30 June 2021)
I North
M A Craigen (appointed 23 November 2020)
S M Hipgrave (resigned 23 November 2020)
G Humphrey (resigned 30 September 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

BOLTON GATE SERVICES LIMITED

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Going concern

Since the prior year, the impact of the global COVID-19 pandemic had led to massive changes to our market and also the wider economy. The company saw dramatic and overnight changes to orders received and our ability to supply products and services as the lockdown situation evolved. This has therefore created a new principal risk to the business. We very quickly put measures in place to deal with these issues including different working practices, temperature checks, screens and a range of social distancing measures. Business was interrupted for a short period but is now increasing and we expect it to be back to pre-COVID-19 levels as we progress through 2021 and into 2022.

The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. The directors have prepared forecasts covering the period to September 2022. The uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of these forecasts and the directors believe the going concern basis to still be appropriate.

Notwithstanding these positive indications of financial stability, there is a risk that the impact of COVID-19 could be more significant than can currently be anticipated, however the directors have concluded that these circumstances do not represent a material uncertainty which could cast significant doubt on the Company's ability to continue as a going concern. As well as this, confirmation of continuing financial support has been received from the group, for a period of at least 12 months from the date of approval of these financial statements.

The directors expect that the Company has sufficient resources to enable it to continue adopting the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

BOLTON GATE SERVICES LIMITED

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M A Craigen
Director

Date: 27/9/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON GATE SERVICES LIMITED

Opinion

We have audited the financial statements of Bolton Gate Services Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of income and retained earnings, the Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON GATE SERVICES LIMITED
(CONTINUED)**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON GATE SERVICES LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON GATE SERVICES LIMITED
(CONTINUED)**

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified significant laws and regulations, as detailed below, relevant to the Company through inquiries of management and corroborated this through review of board minutes and legal expenses.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined which may influence the financial statements. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those are laws and regulations relating to health and safety, employee matters, data protection, import duty and bribery and corruption practices.
- We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur. We performed procedures over journal entries (in particular manual journal entries determined to be large or relating to unusual transactions), related party transactions and evaluated processes and controls in place to address the risks related to irregularities and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, the applicable statutory provisions, and the Company's control environment, including the adequacy of procedures for authorisation of transactions.
- The engagement team's experience with similar engagements, their understanding of the Company's industry and regulatory requirements (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations) relating to the Company were considered in assessing the competence and capabilities of the engagement team.
- No matters relating to non-compliance with laws and regulation or relating to fraud were identified in relation to above mentioned laws and regulations that were identified by us as most significant.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON GATE SERVICES LIMITED
(CONTINUED)**

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.

Michael Redfern

Michael Redfern
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
Date: 27/9/2021

BOLTON GATE SERVICES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 £ | 2019 £ |
|---|------|------------------|------------------|
| Turnover | 4 | 13,642,210 | 14,363,379 |
| Cost of sales | | (8,972,835) | (9,172,981) |
| Gross profit | | 4,669,375 | 5,190,398 |
| Administrative expenses | | (4,913,850) | (4,468,137) |
| Other operating income | | 654,058 | - |
| Operating profit | 6 | 409,583 | 722,261 |
| Tax on profit | 10 | 2,300 | 63,586 |
| Profit after tax | | 411,883 | 785,847 |
| Retained earnings at the beginning of the year | | 3,208,871 | 2,423,024 |
| Profit for the year | | 411,883 | 785,847 |
| Retained earnings at the end of the year | | 3,620,754 | 3,208,871 |

There was no other comprehensive income in the year.

The above activities relate to continuing activities.

The notes on pages 13 to 28 form part of these financial statements.

BOLTON GATE SERVICES LIMITED
REGISTERED NUMBER:03689080

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 11 | 103,094 | 3,375 |
| Tangible assets | 12 | 222,049 | 391,396 |
| | | <u>325,143</u> | <u>394,771</u> |
| Current assets | | | |
| Stocks | 13 | 427,032 | 500,541 |
| Debtors: amounts falling due within one year | 14 | 3,434,872 | 4,727,847 |
| Bank and cash balances | | 1,170,206 | 183,215 |
| | | <u>5,032,110</u> | <u>5,411,603</u> |
| Creditors: amounts falling due within one year | 15 | (1,716,899) | (2,575,603) |
| Net current assets | | <u>3,315,211</u> | <u>2,836,000</u> |
| Total assets less current liabilities | | <u>3,640,354</u> | <u>3,230,771</u> |
| Provisions for liabilities | | | |
| Deferred tax | 16 | (9,600) | (11,900) |
| Net assets | | <u><u>3,630,754</u></u> | <u><u>3,218,871</u></u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 10,000 | 10,000 |
| Profit and loss account | 18 | 3,620,754 | 3,208,871 |
| | | <u><u>3,630,754</u></u> | <u><u>3,218,871</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M A Craigen
Director

Date: 27/9/2021

The notes on pages 13 to 28 form part of these financial statements.

BOLTON GATE SERVICES LIMITED

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

1. General information

Bolton Gate Services Limited is a private company limited by shares & incorporated in England and Wales. The registered office is Units 5-9 North Luton Industrial Estate, Sedgwick Road, Luton, England, LU4 9DT.

The Company's principal activities are disclosed in the Directors' Report.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sanwa Holdings Corporation, a company incorporated in Japan as at 31 December 2020 and these financial statements may be obtained from www.sanwa-hldgs.co.jp.

BOLTON GATE SERVICES LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. The directors have prepared forecasts covering the period to September 2022. The uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of these forecasts and the directors believe the going concern basis to still be appropriate.

Notwithstanding these positive indications of financial stability, there is a risk that the impact of COVID-19 could be more significant than can currently be anticipated, however the directors have concluded that these circumstances do not represent a material uncertainty which could cast significant doubt on the Company's ability to continue as a going concern. As well as this, confirmation of continuing financial support has been received from the group, for a period of at least 12 months from the date of approval of these financial statements.

The directors expect that the Company has sufficient resources to enable it to continue adopting the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

BOLTON GATE SERVICES LIMITED

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

2. Accounting policies (continued)**2.5 Revenue**

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

Sale of goods

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

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

Rendering of services

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

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

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

BOLTON GATE SERVICES LIMITED

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

2. Accounting policies (continued)

2.7 Government grants

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

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.8 Finance costs

Finance costs are charged to profit and loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

BOLTON GATE SERVICES LIMITED

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

2. Accounting policies (continued)**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Intangible assets**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BOLTON GATE SERVICES LIMITED

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

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|----------------------|-----------------------------|
| Leasehold property | - 20% straight line |
| Plant and machinery | - 10-33% straight line |
| Motor vehicles | - 33% straight line |
| Fixture and fittings | - 20% and 33% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

—At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

BOLTON GATE SERVICES LIMITED

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

2. Accounting policies (continued)**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

BOLTON GATE SERVICES LIMITED

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

2. Accounting policies (continued)
2.18 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

The Company estimates the recoverable value of stock. The stock provision is based on an estimate of the future salability of finished goods.

The Company regularly reviews the useful life of its fixed asset categories and if the useful life has changed, the Company will reflect that change, which is a change in accounting estimate.

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2020 £ | 2019 £ |
|------------------|-------------------|-------------------|
| Sale of goods | 367,041 | 1,093,417 |
| Sale of services | 13,275,169 | 13,269,962 |
| | <u>13,642,210</u> | <u>14,363,379</u> |

All turnover arose within the United Kingdom.

BOLTON GATE SERVICES LIMITED

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

5. Other operating income

| | 2020 £ | 2019 £ |
|---|----------------|-----------|
| Government grants receivable - coronavirus job retention scheme | 654,058 | - |
| | <u>654,058</u> | <u>-</u> |

6. Operating profit

The operating profit is stated after charging:

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Depreciation of owned tangible fixed assets | 103,468 | 113,438 |
| Cost of stock recognised as an expense | 4,257,552 | 4,169,884 |
| Other operating lease rentals | 236,730 | 670,518 |
| | <u>4,597,750</u> | <u>4,953,840</u> |

7. Auditor's remuneration

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 16,500 | 16,000 |
| | <u>16,500</u> | <u>16,000</u> |

BOLTON GATE SERVICES LIMITED

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

| | 2020 £ | 2019 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 6,277,461 | 6,001,651 |
| Social security costs | 785,198 | 851,993 |
| Cost of defined contribution scheme | 147,763 | 151,407 |
| | <u>7,210,422</u> | <u>7,005,051</u> |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2020 No. | 2019 No. |
|----------------------|-------------|-------------|
| Production staff | 101 | 98 |
| Administrative staff | 74 | 66 |
| | <u>175</u> | <u>164</u> |

9. Directors' remuneration

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Directors' emoluments | 197,929 | 109,250 |
| Company contributions to defined contribution pension schemes | 4,499 | 4,068 |
| Compensation for loss of office | 76,346 | - |
| | <u>278,774</u> | <u>113,318</u> |

During the year retirement benefits were accruing to 1 director (2019: 1) in respect of defined contribution pension schemes.

The services of S M Hipgrave, M A Craigen and R L Baker are executive in nature and their emoluments are borne by a fellow subsidiary and elements of their cost are recharged to reflect services provided to the Company.

BOLTON GATE SERVICES LIMITED

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

10. Taxation

| | 2020 £ | 2019 £ |
|--|----------------|-----------------|
| Corporation tax | | |
| Current tax on profits for the year | - | (70,586) |
| Deferred tax | | |
| Origination and reversal of timing differences | (3,700) | 7,000 |
| Effect of tax rate change on opening balance | 1,400 | - |
| Taxation on loss on ordinary activities | (2,300) | (63,586) |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

| | 2020 £ | 2019 £ |
|---|----------------|-----------------|
| Profit on ordinary activities before tax | 409,583 | 722,261 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%) | 77,821 | 137,230 |
| Effects of: | | |
| Expenses that are not deductible in determining taxable profit | 4,090 | 3,750 |
| Adjustments in respect of prior years | - | (70,568) |
| Fixed asset differences | 2,841 | 1,315 |
| Other differences leading to an increase/(decrease) in the tax charge | 1,454 | (884) |
| Group relief | (88,506) | (134,429) |
| Total tax charge for the year | (2,300) | (63,586) |

BOLTON GATE SERVICES LIMITED

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

11. Intangible assets

| | Goodwill £ | Computer Software £ | Total £ |
|-------------------------------------|-----------------------|------------------------------------|--------------------|
| Cost | | | |
| At 1 January 2020 | 11,250 | - | 11,250 |
| Additions | 50 | - | 50 |
| Transfer from tangible fixed assets | - | 131,369 | 131,369 |
| At 31 December 2020 | <u>11,300</u> | <u>131,369</u> | <u>142,669</u> |
| Amortisation | | | |
| At 1 January 2020 | 7,875 | - | 7,875 |
| Charge for the year on owned assets | 2,750 | - | 2,750 |
| Transfer from tangible fixed assets | - | 28,950 | 28,950 |
| At 31 December 2020 | <u>10,625</u> | <u>28,950</u> | <u>39,575</u> |
| Net book value | | | |
| At 31 December 2020 | <u>675</u> | <u>102,419</u> | <u>103,094</u> |
| At 31 December 2019 | <u>3,375</u> | <u>-</u> | <u>3,375</u> |

Amortisation on intangible assets is charged to admin expenses.

BOLTON GATE SERVICES LIMITED

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

12. Tangible fixed assets

| | Leasehold improve- ment £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|-------------------------------------|------------------------------------|-----------------------------|------------------------|-------------------------------|----------------|
| Cost or valuation | | | | | |
| At 1 January 2020 | 97,389 | 59,103 | 21,079 | 530,216 | 707,787 |
| Additions | 8,921 | - | - | 27,619 | 36,540 |
| Transfer to intangible assets | - | - | - | (131,369) | (131,369) |
| At 31 December 2020 | <u>106,310</u> | <u>59,103</u> | <u>21,079</u> | <u>426,466</u> | <u>612,958</u> |
| Depreciation | | | | | |
| At 1 January 2020 | 39,112 | 46,094 | 15,460 | 215,725 | 316,391 |
| Charge for the year on owned assets | 14,953 | 8,532 | 4,501 | 75,482 | 103,468 |
| Transfer to intangible assets | - | - | - | (28,950) | (28,950) |
| At 31 December 2020 | <u>54,065</u> | <u>54,626</u> | <u>19,961</u> | <u>262,257</u> | <u>390,909</u> |
| Net book value | | | | | |
| At 31 December 2020 | <u>52,245</u> | <u>4,477</u> | <u>1,118</u> | <u>164,209</u> | <u>222,049</u> |
| At 31 December 2019 | <u>58,277</u> | <u>13,009</u> | <u>5,619</u> | <u>314,491</u> | <u>391,396</u> |

13. Stocks

| | 2020 £ | 2019 £ |
|-------------------------------------|----------------|----------------|
| Raw materials and consumables | 427,032 | 346,046 |
| Finished goods and goods for resale | - | 154,495 |
| | <u>427,032</u> | <u>500,541</u> |

An impairment loss of £Nil (2019: Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

BOLTON GATE SERVICES LIMITED

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

14. Debtors

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 2,859,485 | 4,097,361 |
| Amounts owed by group undertakings | 46,418 | 144,274 |
| Other debtors | 140,429 | 70,429 |
| Prepayments and accrued income | 388,540 | 415,783 |
| | <u>3,434,872</u> | <u>4,727,847</u> |

There is a provision for bad debts of £162,000 (2019: £64,213). The directors have considered these debts to be doubtful and have provided accordingly for what they consider the Company's exposure to be.

15. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 913,812 | 1,425,959 |
| Amounts owed to group undertakings | 39,291 | 370,735 |
| Other taxation and social security | 473,724 | 592,553 |
| Accruals and deferred income | 290,072 | 186,356 |
| | <u>1,716,899</u> | <u>2,575,603</u> |

BOLTON GATE SERVICES LIMITED

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

16. Deferred taxation

| | 2020 £ | 2019 £ |
|---------------------------|----------------|-----------------|
| At beginning of year | (11,900) | (4,900) |
| Charged to profit or loss | 2,300 | (7,000) |
| At end of year | (9,600) | (11,900) |

The provision for deferred taxation is made up as follows:

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|-----------------|
| Accelerated capital allowances | (13,800) | (14,000) |
| Short term timing differences | 4,200 | 2,100 |
| | (9,600) | (11,900) |

The deferred tax liability set out above in relation to capital allowances is not expected to fully reverse within 12 months as it relates to accelerated capital allowances that are not expected to mature within the same period.

The deferred tax asset set out above relating to short timing differences is not expected to reversed within the next 12 months and therefore the deferred tax is not expected to reverse within the same period.

17. Share capital

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| 10,000 (2019 - 10,000) Ordinary shares of £1 each | 10,000 | 10,000 |

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

18. Reserves**Profit and loss account**

Includes all current and prior periods profits & losses.

BOLTON GATE SERVICES LIMITED

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

19. Pension commitments

The Company operates a defined contribution pension scheme. Pension contributions totaling £32,678 (2019: £29,638) were payable to the fund at the balance sheet date and are included in creditors. The pension cost charge represents contributions payable by the Company to the fund and amounted to £111,438 (2019: £151,407).

20. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2020 £ | <i>Restated</i> 2019 £ |
|----------------------------|------------------|------------------------------|
| Within one year | 642,377 | 858,899 |
| Between two and five years | 398,127 | 1,003,949 |
| Later than 5 years | 78,622 | 115,177 |
| | <u>1,119,126</u> | <u>1,978,025</u> |

21. Related party transactions

As a wholly owned subsidiary, the Company has taken advantage of the exemption contained in FRS 102 Section 33.7 and has therefore not disclosed transactions with other wholly owned group undertakings.

22. Controlling party

The immediate parent company is Bolton Gate Services Holdings Limited. The ultimate parent company is Sanwa Holdings Corporation.

Sanwa Holdings Corporation is a company incorporated in Japan and copies of the group accounts, which includes the company and its subsidiary undertakings, are publicly available from www.sanwahldgs.co.jp.