

ALLIANCE DISPOSABLES LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020



ALLIANCE DISPOSABLES LIMITED

COMPANY INFORMATION

Directors	D Elder P Bonson A Walker
Secretary	S Tew
Company number	03747333
Registered office	Alliance House Marshfield Bank Crewe Cheshire CW2 8UY
Auditor	Royce Peeling Green Limited The Copper Room Deva City Office Park Trinity Way Manchester M3 7BG
Bankers	National Westminster Bank Plc Warrington Branch 23 Sankey Street Warrington WA1 1XH

ALLIANCE DISPOSABLES LIMITED

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ALLIANCE DISPOSABLES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present the strategic report for the year ended 30 September 2020.

Fair review of the business

The group continues to trade in the distribution of non-food products.

Alliance is widely recognised as one of the leading suppliers of non-food products and catering equipment in the UK. The group is head quartered in Crewe and provides coverage of both the UK and Ireland from a network of 13 depots. Alliance boasts an impressive product offering, with over 24,000 products.

The group has been significantly affected by the Covid pandemic, having seen much of the hospitality sector being curtailed or closed. Alliance is a key supplier to this sector, which in turn has impacted on turnover and profit.

A strategy pivot during the second half of the financial year with emphasis on PPE and home deliveries provided the much needed platform to maintain revenues to safeguard the operations.

During the first half of our 2020/21 financial year, the Directors are pleased with the shape of our business model and the balance between National and Regional trading, and the growth of the Alliance Ireland business.

Overview

Alliance has seen turnover decline significantly in the second half of the year, however, has managed to recover margins in a competitive market.

Business review

In the year ended 30 September 2020 turnover decreased by 18.2% to £104.2m but margins performed better than budgeted at 31.0%.

Continued investment has been focussed on customer facing systems and efficiencies in our distribution platforms. Pre tax profits were £6.8m identical to the previous year. Cash flows from operations were healthy at £4.4m (2019: £4.6m).

Principal risks and uncertainties

Responsibility for the identification and monitoring of risks affecting the company lies with the Directors.

The Senior Management Team and the finance department follow the procedures laid down by the Directors to manage those risks. The risks associated with financial instruments are set out in the Directors' Report.

The other key risks which may influence the ability of the group to achieve its strategic aims are the recover of its key sectors following the Covid pandemic.

The Directors anticipate continued rising customer confidence during the second half of 2021.

We continue to operate in a competitive environment, and our core offering is based on the ability to provide the best service to our customer base.

There is a risk of inflation following global Government recovery which is of concern.

We continue to be focussed on the risk of cyber security attacks and the potential of threats to our core data. We will continue to invest significantly in systems and processes to protect our data and customer information.

Position at the end of the period

The group maintains a very strong balance sheet; at 30 September 2020 it has no external debt.

We are forecasting growth in the second half of this current financial period and focus on margin management to protect the profitability of the business.

ALLIANCE DISPOSABLES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Key performance indicators

Monthly management information reviewed by the Directors and the management team focuses on sales, margins and costs and most importantly, cash flow. These are considered to be our imperatives for maintaining a strong balance sheet.

Non financial KPIs

The Directors continue to believe that staff retention and development are measures which ultimately support our objective of providing excellent customer service.

In addition, ensuring that our business is entirely deployed in being a safe and socially responsible employer is a material factor.

These will continue to be our primary non financial KPIs.

Section 172 Companies Act: Promoting the success of the company

The Directors of Alliance believe that a long term approach favours a stronger business. By engaging with customers, staff and stakeholders, the business continues to be both strong and sustainable.

Our approach to business is entirely driven by our core aims of Customer Satisfaction, Staff Satisfaction and Cash flow. In addition, the business is environmentally aware and this in turn drives our actions in terms of purchasing, recycling and fleet.

The Directors believe that the approach of considerate governance and employee access to all senior management are key to success.

On behalf of the board



P Bonson

Director

27 APRIL 2021

ALLIANCE DISPOSABLES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and consolidated financial statements for the year ended 30 September 2020.

Principal activities

The principal activity of the company and group continued to be the distribution of non-food products.

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £2,613,921. The directors do not recommend payment of a further dividend.

Directors

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

D Elder
P Bonson
A Walker

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering measures as a means of further encouraging the involvement of employees in the company's performance.

Auditor

In accordance with the company's articles, a resolution proposing that be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report

Alliance recognises our obligation to manage the environmental impact of our business operations and comply with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme. SECR was implemented in April 19 and requires qualifying businesses to comply for financial years starting on or after 1 April 19. This initial SECR report corresponds to our financial year ending September 2020.

The Greenhouse Gas (GHG) emissions associated with our core business operations have been measured and verified in accordance with SECR category guidance; Scope 1 (direct resource use), scope 2 (bought resources for use in our direct operations) and specific scope 3 emissions (indirect emissions due to business activities). We have also identified appropriate intensity ratios to normalise and monitor our carbon emissions and energy efficiency measures which support our drive to minimise costs and improve productivity whilst reducing carbon emissions in line with the UK's target to bring all GHG emissions to net zero by 2050.

The following data has been collected in respect of the group's UK based operations only.

ALLIANCE DISPOSABLES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

<i>Energy consumption</i>	kWh	
Aggregate of energy consumption in the year	1,765,968	
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	76.00	
- Fuel consumed for owned transport	142.00	
		218.00
Scope 2 - indirect emissions		
- Electricity purchased		178.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		-
Total gross emissions		396.00
<i>Intensity ratio</i>		
Tonnes CO2e per employee		0.37

Quantification and reporting methodology

The above table shows the gross GHG emissions associated with our combined business operations during this initial SECR period were 396 tonnes of carbon dioxide equivalents (teCO₂e). Around a third of this amount was due to our transport operations and two thirds were due to energy usage in buildings. We have chosen to expand the scope of our reporting to exceed the mandatory requirement by including emissions associated with the transmission of electricity to site. Our net annual emissions have been calculated by taking into account the carbon emissions offset resulting from the renewable electricity generated from our four roof mounted solar PV systems. Under this optional methodology our gross annual emissions are 369 teCO₂e. During the initial SECR period it is not a requirement to make a performance comparison against the previous year. The setting of a programme baseline datum will be reviewed in year two to account for reductions in business productivity resulting from COVID 19 restrictions.

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

Current government environmental reporting guidance recommends the development of at least three Key Performance Indicators (KPIs) associated with key environmental impacts. We have identified intensity ratios which divide our energy and carbon emissions by appropriate normalising factors to enable performance tracking over time and comparison against organisations operating in equivalent sectors.

We have normalised the energy efficiencies across all 13 of our sites to evaluate the performance gap against good practice for Distribution and Storage properties. This exercise showed the total average figure of 37kWh/m²/year was 62% lower than best practice largely due to gas usage being almost 90% lower than best practice.

The total carbon emissions intensity ratio across all sites was found to be 0.013 teCO₂/m² and the financial metric was proven to be 0.37 teCO₂/£100k Turnover.

Our carbon emissions have been calculated in accordance with guidance provided by the UK Government and the WRI GHG Reporting Protocol methodology.

ALLIANCE DISPOSABLES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Measures taken to improve energy efficiency

In our first year of SECR Reporting, we have achieved compliance with UK's Energy Saving Opportunities Scheme (ESOS). This involved evaluating our annual baseline energy consumption profiles and identifying energy saving opportunities for three sites deemed representative of our property portfolio (Crewe, London and Heywood Depots) where potential energy savings of £22k and 75 teCO₂ per annum were identified through implementation of projects ranging from energy awareness training to installation of solar panels and improved driver techniques.

This year we have also begun initial conversations with energy consultants to develop a road map to achieve net zero GHG emissions ahead of the government's 2050 legally binding deadline for net zero. The output of further planned workshops in this area would include development of a road map to achieving net zero emissions for our organisation through identification and evaluation of options to achieve carbon reduction pathways across all core areas of our business activities. Emissions reductions would be achieved through optimising energy efficiency and de-carbonising our energy supply whilst considering recovery of energy from waste material and exploiting potential for low carbon de-centralised energy generation and storage. The strategy will also seek to minimise or eliminate any ongoing operational cost to offset any residual GHG emissions which cannot be eliminated or decarbonised and will seek to future proof our business for a zero carbon economy and through adaptation of machine learning and AI systems for support process optimisation, asset management and energy focused maintenance.

As our first SECR reporting year has occurred during the lockdown/COVID 19 Period it will not be a suitable year to assign as a baseline year against which future energy saving measures are evaluated. We will therefore continue to monitor the baseline in future years and will develop a suitable baseline calculation methodology to account for business as usual levels of productivity.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ALLIANCE DISPOSABLES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
P Bonson
Director

Date: 27/4/21

ALLIANCE DISPOSABLES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE DISPOSABLES LIMITED

Opinion

We have audited the financial statements of Alliance Disposables Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2020 and of the group's 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

ALLIANCE DISPOSABLES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLIANCE DISPOSABLES LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ALLIANCE DISPOSABLES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLIANCE DISPOSABLES LIMITED

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.

Royce Peeling Green Limited

Martin Chatten (Senior Statutory Auditor)
For and on behalf of

14 May 2021

Chartered Accountants
Statutory Auditor

The Copper Room
Deva City Office Park
Trinity Way
Manchester M3 7BG

ALLIANCE DISPOSABLES LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	104,154,741	127,326,271
Cost of sales		(71,856,422)	(91,675,725)
Gross profit		32,298,319	35,650,546
Administrative expenses		(27,125,840)	(28,919,120)
Other operating income		1,567,451	12,621
Operating profit	4	6,739,930	6,744,047
Interest receivable and similar income		29,939	23,764
Interest payable and similar expenses		-	(501)
Profit before taxation		6,769,869	6,767,310
Tax on profit	9	(1,354,721)	(1,302,499)
Profit for the financial year	20	5,415,148	5,464,811
Other comprehensive income			
Currency translation differences		(8,353)	-
Total comprehensive income for the year		5,406,795	5,464,811

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

ALLIANCE DISPOSABLES LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill			5,997		15,997
Tangible assets	11		11,159,402		12,034,848
			<u>11,165,399</u>		<u>12,050,845</u>
Current assets					
Stocks	15	16,836,715		14,066,185	
Debtors	16	16,789,628		20,446,006	
Cash at bank and in hand		2,787,742		1,456,228	
		<u>36,414,085</u>		<u>35,968,419</u>	
Creditors: amounts falling due within one year	17	(24,569,284)		(27,732,678)	
Net current assets			<u>11,844,801</u>		<u>8,235,741</u>
Total assets less current liabilities			<u>23,010,200</u>		<u>20,286,586</u>
Provisions for liabilities					
Deferred tax liability	18	(142,325)		(73,065)	
		<u>142,325</u>		<u>73,065</u>	
Net assets			<u><u>23,152,525</u></u>		<u><u>20,359,651</u></u>
Capital and reserves					
Called up share capital	19		90		90
Revaluation reserve	20		1,957,724		1,987,762
Capital redemption reserve	20		10		10
Profit and loss reserves	20		21,194,701		18,371,789
Total equity			<u><u>23,152,525</u></u>		<u><u>20,359,651</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 APRIL 2021 and are signed on its behalf by:

.....
D Elder
Director

ALLIANCE DISPOSABLES LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill			5,997		15,997
Tangible assets	11		11,021,859		11,848,173
Investments	13		911		911
			<u>11,028,767</u>		<u>11,865,081</u>
Current assets					
Stocks	15	16,557,160		13,809,293	
Debtors	16	18,056,906		21,395,531	
Cash at bank and in hand		2,561,714		1,154,643	
			<u>37,175,780</u>		<u>36,359,467</u>
Creditors: amounts falling due within one year	17	(24,367,018)		(27,607,294)	
Net current assets			<u>12,808,762</u>		<u>8,752,173</u>
Total assets less current liabilities			<u>23,837,529</u>		<u>20,617,254</u>
Provisions for liabilities					
Deferred tax liability	18	(142,325)		(73,065)	
			<u>142,325</u>		<u>73,065</u>
Net assets			<u><u>23,979,854</u></u>		<u><u>20,690,319</u></u>
Capital and reserves					
Called up share capital	19		90		90
Revaluation reserve	20		1,957,724		1,987,762
Capital redemption reserve	20		10		10
Profit and loss reserves	20		22,022,030		18,702,457
Total equity			<u><u>23,979,854</u></u>		<u><u>20,690,319</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £5,903,456 (2019 - £5,781,395 profit).

The financial statements were approved by the board of directors and authorised for issue on 27 APRIL 2021 and are signed on its behalf by:

.....
D Elder
Director

Company Registration No. 03747333

ALLIANCE DISPOSABLES LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2018		90	2,017,800	10	15,310,575	17,328,475
Year ended 30 September 2019:						
Profit and total comprehensive income for the year		-	-	-	5,464,811	5,464,811
Dividends	10	-	-	-	(2,433,635)	(2,433,635)
Transfers		-	-	-	30,038	30,038
Other movements		-	(30,038)	-	-	(30,038)
Balance at 30 September 2019		90	1,987,762	10	18,371,789	20,359,651
Year ended 30 September 2020:						
Profit for the year		-	-	-	5,415,148	5,415,148
Other comprehensive income:						
Currency translation differences		-	-	-	(8,353)	(8,353)
Total comprehensive income for the year		-	-	-	5,406,795	5,406,795
Dividends	10	-	-	-	(2,613,921)	(2,613,921)
Transfers		-	-	-	30,038	30,038
Other movements		-	(30,038)	-	-	(30,038)
Balance at 30 September 2020		90	1,957,724	10	21,194,701	23,152,525

ALLIANCE DISPOSABLES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2018		90	2,017,800	10	15,324,659	17,342,559
Year ended 30 September 2019:						
Profit and total comprehensive income for the year		-	-	-	5,781,395	5,781,395
Dividends	10	-	-	-	(2,433,635)	(2,433,635)
Transfers		-	-	-	30,038	30,038
Other movements		-	(30,038)	-	-	(30,038)
Balance at 30 September 2019		90	1,987,762	10	18,702,457	20,690,319
Year ended 30 September 2020:						
Profit and total comprehensive income for the year		-	-	-	5,903,456	5,903,456
Dividends	10	-	-	-	(2,613,921)	(2,613,921)
Transfers		-	-	-	30,038	30,038
Other movements		-	(30,038)	-	-	(30,038)
Balance at 30 September 2020		90	1,957,724	10	22,022,030	23,979,854

ALLIANCE DISPOSABLES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	25	5,019,448		6,278,780	
Interest paid		-		(501)	
Income taxes paid		(608,443)		(1,695,678)	
Net cash inflow from operating activities		4,411,005		4,582,601	
Investing activities					
Purchase of tangible fixed assets		(793,247)		(2,248,202)	
Proceeds on disposal of tangible fixed assets		282,431		373,584	
Receipts arising from loans made		8,144		(514,452)	
Interest received		29,939		23,764	
Net cash used in investing activities		(472,733)		(2,365,306)	
Financing activities					
Payment of finance leases obligations		-		(21,875)	
Dividends paid to equity shareholders		(2,613,921)		(2,433,635)	
Net cash used in financing activities		(2,613,921)		(2,455,510)	
Net increase/(decrease) in cash and cash equivalents		1,324,351		(238,215)	
Cash and cash equivalents at beginning of year		1,456,228		1,694,443	
Effect of foreign exchange rates		7,163		-	
Cash and cash equivalents at end of year		2,787,742		1,456,228	

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Alliance Disposables Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Alliance Disposables Limited and all of its subsidiaries.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include freehold properties at deemed cost on transition to FRS 102 (being the valuation of the properties at that date). The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries are accounted for at cost less impairment.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Alliance Disposables Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 30 September 2020. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

1.7 Tangible fixed assets

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

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

Freehold land and buildings	Straight line over 50 years (land not depreciated)
Fixtures, fittings & office equipment	Straight line over 4 years
Warehouse equipment	Straight line over 10 years
Motor vehicles	Straight line over 3 to 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

1.11 Cash and cash equivalents

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

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

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

1.17 Leases

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

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

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

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

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.20 Auditors' liability limitation agreement

The company has entered into a liability limitation agreement with Royce Peeling Green Limited, the statutory auditor, in respect of the statutory audit for the year ended 30 September 2020. The proportionate liability agreement follows the standard terms in Appendix B to the FRC's June 2008 Guidance on Auditor Liability Agreements, and has been approved by the shareholders.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 periods.

Key sources of estimation uncertainty

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

Depreciation and amortisation

The depreciation and amortisation expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used. Judgments are made as to the estimated useful life of the assets; these are regularly reviewed to reflect the changing environment.

Stock provision

The provision is based on a review of old/ slow moving stock lines and the estimated realisation of that stock. The estimated realisation is based on past experience and subsequent recovery after the year end. These judgements are regularly reviewed to reflect the changing environment.

Bad debt provision

The bad debt provision is based on a review of old/ slow paying customer balances and the estimated recoverability of those balances. Estimated recoverability is based on past experience and subsequent recovery after the year end. These judgements are regularly reviewed to reflect the changing environment.

Purchases rebates

Provision for purchase rebates and overrides are based on estimated amounts due based on quantities purchased during the year. The estimated recoverability is based on past experience and amounts subsequently recovered after the year end. These judgements are regularly reviewed to reflect the changing environment.

3 Turnover and other revenue

All turnover derives from the distribution of non-food products.

	2020	2019
	£	£
Other significant revenue		
Interest income	29,939	23,764
Grants received	1,535,763	-
	<u> </u>	<u> </u>

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Turnover and other revenue (Continued)

	2020	2019
	£	£
Turnover analysed by geographical market		
UK	102,415,296	126,069,846
EU	1,739,445	1,256,425
	<u>104,154,741</u>	<u>127,326,271</u>

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	10,646	(10,367)
Government grants	(1,535,763)	-
Depreciation of owned tangible fixed assets	1,632,628	1,675,356
Profit on disposal of tangible fixed assets	(242,325)	(310,232)
Amortisation of intangible assets	10,000	10,000
Operating lease charges	1,854,198	1,702,618
	<u>1,618,804</u>	<u>1,037,375</u>

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	22,611	20,000
Audit of the financial statements of the company's subsidiaries	4,824	1,554
	<u>27,435</u>	<u>21,554</u>

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Distribution	426	443	420	436
Sales	166	184	163	182
Administration	56	55	54	53
Total	<u>648</u>	<u>682</u>	<u>637</u>	<u>671</u>

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	16,131,835	17,354,904	15,833,929	17,021,363
Social security costs	1,287,168	1,504,509	1,253,035	1,469,163
Pension costs	572,404	561,371	566,585	559,727
	<u>17,991,407</u>	<u>19,420,784</u>	<u>17,653,549</u>	<u>19,050,253</u>

7 Retirement benefit schemes

	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>572,404</u>	<u>561,371</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	400,979	542,315
Company pension contributions to defined contribution schemes	10,567	12,573
	<u>411,546</u>	<u>554,888</u>

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

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	164,530	194,501
Company pension contributions to defined contribution schemes	<u>4,167</u>	<u>7,573</u>

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	1,423,981	1,291,685
Adjustments in respect of prior periods	-	(40,868)
Total current tax	1,423,981	1,250,817
Deferred tax		
Origination and reversal of timing differences	(60,664)	50,016
Changes in tax rates	(8,596)	1,666
Total deferred tax	(69,260)	51,682
Total tax charge	1,354,721	1,302,499

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

	2020 £	2019 £
Profit before taxation	6,769,869	6,767,310
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,286,275	1,285,789
Tax effect of expenses that are not deductible in determining taxable profit	15,496	25,212
Unutilised tax losses carried forward	92,779	60,151
Effect of change in corporation tax rate	(8,596)	1,666
Research and development tax credit	(31,233)	(29,451)
Under/(over) provided in prior years	-	(40,868)
Taxation charge	1,354,721	1,302,499

10 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Interim paid	2,613,921	2,433,635

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Tangible fixed assets

Group	Freehold land and buildings	Fixtures, fittings & office equipment	Warehouse equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2019	9,750,651	509,525	2,392,087	5,881,984	18,534,247
Additions	-	6,779	68,015	718,453	793,247
Disposals	-	-	-	(1,097,246)	(1,097,246)
Exchange adjustments	-	-	1,596	3,688	5,284
At 30 September 2020	9,750,651	516,304	2,461,698	5,506,879	18,235,532
Depreciation and impairment					
At 1 October 2019	1,174,720	462,684	1,604,987	3,257,008	6,499,399
Depreciation charged in the year	196,342	18,114	154,782	1,263,390	1,632,628
Eliminated in respect of disposals	-	-	-	(1,057,140)	(1,057,140)
Exchange adjustments	-	-	189	1,054	1,243
At 30 September 2020	1,371,062	480,798	1,759,958	3,464,312	7,076,130
Carrying amount					
At 30 September 2020	8,379,589	35,506	701,740	2,042,567	11,159,402
At 30 September 2019	8,575,931	46,841	787,100	2,624,976	12,034,848

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Tangible fixed assets

(Continued)

Company	Freehold land and buildings	Fixtures, fittings & office equipment	Warehouse equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2019	9,750,651	509,525	2,308,370	5,726,688	18,295,234
Additions	-	6,779	63,599	718,453	788,831
Disposals	-	-	-	(1,097,246)	(1,097,246)
At 30 September 2020	9,750,651	516,304	2,371,969	5,347,895	17,986,819
Depreciation and impairment					
At 1 October 2019	1,174,720	462,684	1,596,979	3,212,678	6,447,061
Depreciation charged in the year	196,342	18,114	145,809	1,214,774	1,575,039
Eliminated in respect of disposals	-	-	-	(1,057,140)	(1,057,140)
At 30 September 2020	1,371,062	480,798	1,742,788	3,370,312	6,964,960
Carrying amount					
At 30 September 2020	8,379,589	35,506	629,181	1,977,583	11,021,859
At 30 September 2019	8,575,931	46,841	711,391	2,514,010	11,848,173

12 Capital commitments

Amounts contracted for but not accrued	Group 2020 £	2019 £	Company 2020 £	2019 £
Acquisition of tangible fixed assets	43,000	38,935	43,000	38,935

13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14	-	-	911	911

14 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Alliance Disposables Ireland Ltd	Ireland	Ordinary	100.00

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	16,836,715	14,066,185	16,557,160	13,809,293

16 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	13,891,026	16,294,575	13,576,067	15,942,776
Corporation tax recoverable	183,201	183,201	183,201	183,201
Amounts owed by group undertakings	-	-	1,613,998	836,142
Other debtors	646,990	767,468	644,437	762,340
Prepayments and accrued income	2,068,411	3,200,762	2,039,203	3,172,321
	16,789,628	20,446,006	18,056,906	20,896,780

Amounts falling due after more than one year:

Amounts owed by group undertakings	-	-	-	498,751
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Total debtors	16,789,628	20,446,006	18,056,906	21,395,531
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17 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other borrowings	35,000	35,000	35,000	35,000
Trade creditors	19,644,190	24,110,288	19,479,333	23,998,121
Corporation tax payable	1,174,172	358,634	1,174,172	358,634
Other taxation and social security	1,837,526	832,246	1,801,731	825,588
Other creditors	207,421	331,848	205,857	330,511
Accruals and deferred income	1,670,975	2,064,662	1,670,925	2,059,440
	24,569,284	27,732,678	24,367,018	27,607,294

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18 Deferred taxation

The deferred tax liabilities/ (assets) recognised by the group and company, and movements thereon are:

	2020 £	2019 £
Group & company		
Accelerated capital allowances	(156,919)	(98,952)
Revaluations	51,805	46,352
Retirement benefit obligations	(37,211)	(20,465)
	<u>(142,325)</u>	<u>(73,065)</u>
Movements in the year:		2020 £
Asset at 1 October 2019		(73,065)
Credit to profit or loss		(60,664)
Effect of change in tax rate - profit or loss		(8,596)
Asset at 30 September 2020		<u>(142,325)</u>

19 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 10p each	90	90	90	90

The 900 issued ordinary shares consists of 542 A, 200 B, 50 C, 90 D and 18 E shares.

20 Reserves

The revaluation reserve is the difference between the latest valuation of freehold properties prior to transition to FRS 102 (the deemed cost on transition to FRS 102) and historical cost. The reserve is not distributable.

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

21 Operating lease commitments: lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	760,759	862,486	636,863	741,704
Between two and five years	1,018,103	1,600,228	1,014,709	1,476,137
In over five years	537,767	646,167	537,767	646,167
	<u>2,316,629</u>	<u>3,108,881</u>	<u>2,189,339</u>	<u>2,864,008</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>411,545</u>	<u>554,888</u>

Other information

Transactions with other entities

- Sales of £938 (2019: £9,522) were made to Palmerston Leisure Ltd, a company of which D H Elder is a director and shareholder. At 30 September 2020 £9,284 (2019: £8,346) was owed by this company.
- Rent of £85,800 (2019: £85,800) was paid to Alliance Commercial Ltd in respect of leased depot premises. D H Elder and P Bonson are directors and shareholders of that company. At 30 September 2020 an amount of £Nil (2019: £25,740) was owed by the company to Alliance Commercial Ltd.

23 Directors' transactions

Dividends totalling £2,613,921 (2019: £2,433,635) were paid in the year in respect of shares held by the company's directors.

During the prior year a loan of £500,000 was made to A Walker, a director of the company. The loan is repayable on demand and carries interest at 1.95% above base rate. Interest of £11,874 (2019: £11,132) was charged in the year. At 30 September 2020 the outstanding balance was £506,467 (2019: £511,132).

24 Controlling party

The ultimate controlling party is D H Elder, the majority shareholder.

ALLIANCE DISPOSABLES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

25 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	5,415,148	5,464,811
Adjustments for:		
Taxation charged	1,354,721	1,302,499
Finance costs	-	501
Investment income	(29,939)	(23,764)
Gain on disposal of tangible fixed assets	(242,325)	(310,232)
Amortisation and impairment of intangible assets	10,000	10,000
Depreciation and impairment of tangible fixed assets	1,632,628	1,675,356
Movements in working capital:		
(Increase)/decrease in stocks	(2,770,530)	677,051
Decrease/(increase) in debtors	3,648,234	(1,401,325)
Decrease in creditors	(3,998,489)	(1,116,117)
Cash generated from operations	5,019,448	6,278,780

26 Analysis of changes in net funds - group

	1 October 2019 £	Cash flows £	Exchange rate movements £	30 September 2020 £
Cash at bank and in hand	1,456,228	1,324,351	7,163	2,787,742
Borrowings excluding overdrafts	(35,000)	-	-	(35,000)
	<u>1,421,228</u>	<u>1,324,351</u>	<u>7,163</u>	<u>2,752,742</u>