

# Tone Group Limited

Annual Report and Consolidated Financial Statements  
for the Year Ended 31 December 2021

# **Tone Group Limited**

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**Tone Group Limited**  
**Company Information**

**Directors** AS Needham  
M Ahluwalia  
**Company secretary** M Ahluwalia

**Registered office** c/o McBrides Accountants LLP  
Nexus House  
2 Cray Road  
Sidcup  
Kent  
DA14 5DA

**Auditors** McBrides Accountants LLP  
Nexus House  
Cray Road  
Sidcup  
Kent  
DA14 5DA

# **Tone Group Limited**

## **Strategic Report for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

### **Principal activity**

The principal activity of the group is that of a holding company. The principal activities of the subsidiary companies are the provision of contract scaffolding services, the provision of specialist structures for the television and film industries, and the provision of seating and staging.

### **Fair review of the business**

The group consists of three main operating activities, comments related to which are detailed further below. Each entity has a similar operating model in that they each provide the design and deployment of temporary structures constructed from scaffolding and other similar related equipment. Each operating company has continued to focus on the requirements of its clients and the quality of its service provision throughout the year. This has relied on the directors continued commitment to the way the group supplies its services and the innovative approach taken to meet the challenges of its clients and their varied requirements. Continued investment in fixed assets has enabled the group to remain a leading provider of these services throughout the year.

The directors also recognise the importance of the group's employees to the delivery of its services. Ongoing development of employee skills through training remains important to the ongoing aims and success of the group. Health and safety of employees and the general public remains critical to the group and investment in this area ensures continued adherence to the requirements of its operations.

The directors have reviewed the activities of the group as follows:

### **Contract scaffolding services**

Client activity and therefore revenues have increased again during the year, following the recovery from the period during the Covid 19 pandemic. The directors have continued to make operational efficiencies in the year following the prior year downturn in trade to put the company in the best position possible. This has given rise to an improvement in gross profit and gross profit margin. Overheads as a percentage of turnover has also improved, providing an increase in profit before tax for contract scaffolding services.

### **Specialist structures for the television and film industry**

The directors are pleased with the outcomes from this activity seeing that this sector has suffered the most during the pandemic. The revenues have improved on the prior year, falling short of pre-pandemic revenue figures, but returning to the gross profit margin achieved in 2019. The group continues to retain a strong position in the sector because of its ability to continue to provide high levels of skilled service and bespoke solutions to its customers.

### **Provision of seating and staging**

This activity still remains affected by the restrictions arising from the pandemic. The impact on the event sector has been significant and a number of events were cancelled in the period. However, during the period this activity has slowly started to build again with revenues growing on prior year's results, albeit still down on pre-pandemic results. The directors have continued to take decisions to mitigate the impact on this service provision and have made efficiencies to its operations in this area. The group is well positioned to commence the provision of seating as the restrictions are removed and more events are executed.

# **Tone Group Limited**

## **Strategic Report for the Year Ended 31 December 2021**

### **Group financial position**

The directors recognise that this has been another challenging year but are pleased with the results for the year and the resulting improvement in net current assets and total equity. The directors are satisfied that the financial position of the group will continue to support existing and anticipated contracts, enabling the group to remain a leading and reliable provider of services to its clients.

### **Key performance indicators**

Management use a range of performance measures to monitor and manage the group. The KPIs used to determine the progress and performance are set out below:

#### **Turnover**

Turnover has increased by 25.9% to £13,429,616 from £10,662,960 in the previous year.

#### **Gross Profit**

The group's gross profit margin has increased in the year to 42.5% (2020: 41.3%) and overall gross profit has risen by £1,300,955.

#### **Profit Before Tax**

Profit before tax earned by the group has increased from £1,104,868 to £1,490,770.

#### **Balance Sheet**

The balance sheet shows that the group's net assets at the year-end have increased from £5,454,418 to £6,348,717.

#### **Cash Flow**

The group saw a net cash outflow during the year of £49,171 (2020: cash inflow of £368,616).

### **Principal risks and uncertainties**

The group is susceptible to a number of economic, commercial and environmental risks and uncertainties. Some of these risks are shared with many operators within the construction industry including the state of the underlying economy and business investment confidence. The industry faces particular difficulties during an economic downturn, since construction is an area of the economy susceptible to negative sentiment and low confidence given the levels of investment required to support the industry. In addition, delays in investment decisions may result in downtime and under-utilised resource, both of which could affect the group.

Approved by the Board on 17 May 2022 and signed on its behalf by:

AS Needham  
Director

# **Tone Group Limited**

## **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the for the year ended 31 December 2021.

### **Director of the group**

The directors who held office during the year were as follows:

AS Needham

M Ahluwalia

### **Financial instruments**

The group's principal financial instruments include the availability of an invoice discounting facility, the main purpose of which is to raise finance for its operations when required and which is currently not being utilised. In addition, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business. The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on its facilities.

Investments of cash surpluses and borrowings are made through banks and institutions which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures and trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

### **Future developments**

The directors plan to continue to invest to maintain the quality of its staff, its commitment to a strong health and safety policy and the capabilities of its operational activities through investment in its employees and fixed asset base. This will ensure the group will be well positioned to meet the varied and challenging requirements of its clients.

The directors continue to ensure that the group will be well positioned to meet the varied and challenging requirements of its clients.

### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 17 May 2022 and signed on its behalf by:

AS Needham  
Director

## **Tone Group Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

# **Tone Group Limited**

## **Independent Auditor's Report to the Members of Tone Group Limited**

### **Opinion**

We have audited the financial statements of Tone Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2021 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The 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.

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.



## **Tone Group Limited**

### **Independent Auditor's Report to the Members of Tone Group Limited**

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

## **Tone Group Limited**

### **Independent Auditor's Report to the Members of Tone Group Limited**

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include vehicle operating licences, transport regulations, health and safety legislation and employment legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Grady (Senior Statutory Auditor)

For and on behalf of McBrides Accountants LLP, Statutory Auditor

Nexus House

Cray Road

Sidcup

Kent

DA14 5DA

19 May 2022

# Tone Group Limited

## Consolidated Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	13,429,616	10,662,960
Cost of sales		<u>(7,727,517)</u>	<u>(6,261,816)</u>
Gross profit		5,702,099	4,401,144
Administrative expenses		(4,192,821)	(3,748,438)
Other operating income	<u>4</u>	<u>-</u>	<u>475,200</u>
Operating profit		1,509,278	1,127,906
Other interest receivable and similar income	<u>5</u>	1	39
Interest payable and similar charges	<u>6</u>	<u>(18,509)</u>	<u>(23,077)</u>
Profit before tax		1,490,770	1,104,868
Taxation	<u>10</u>	<u>(398,786)</u>	<u>(101,326)</u>
Profit for the financial year		<u><u>1,091,984</u></u>	<u><u>1,003,542</u></u>

No Statement of Comprehensive Income has been presented as there is no movement through other comprehensive income for the year.

**Tone Group Limited**  
**(Registration number: 04373617)**  
**Consolidated Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	<u>11</u>	81,215	109,258
Tangible assets	<u>12</u>	4,697,728	4,139,794
		<u>4,778,943</u>	<u>4,249,052</u>
<b>Current assets</b>			
Debtors	<u>14</u>	3,302,696	2,518,413
Cash at bank and in hand		794,261	843,432
		4,096,957	3,361,845
<b>Creditors:</b> Amounts falling due within one year	<u>16</u>	(1,394,999)	(1,730,231)
<b>Net current assets</b>		<u>2,701,958</u>	<u>1,631,614</u>
<b>Total assets less current liabilities</b>		7,480,901	5,880,666
<b>Creditors:</b> Amounts falling due after more than one year	<u>16</u>	(530,370)	(132,422)
<b>Provisions for liabilities</b>	<u>20, 10</u>	(601,814)	(293,826)
<b>Net assets</b>		<u>6,348,717</u>	<u>5,454,418</u>
<b>Capital and reserves</b>			
Called up share capital	<u>19</u>	75,000	75,000
Other reserves		12,713	12,713
Profit and loss account		6,261,004	5,366,705
<b>Total equity</b>		<u>6,348,717</u>	<u>5,454,418</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised by the Board on 17 May 2022 and signed on its behalf by:

M Ahluwalia

Director

**Tone Group Limited**  
**(Registration number: 04373617)**  
**Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<u>12</u>	1,208,067	1,139,642
Investments	<u>13</u>	2,508,466	2,508,466
		<u>3,716,533</u>	<u>3,648,108</u>
<b>Current assets</b>			
Debtors	<u>14</u>	92,145	89,431
Cash at bank and in hand		38,539	10,761
		130,684	100,192
<b>Creditors: Amounts falling due within one year</b>	<u>16</u>	(2,669,797)	(2,595,913)
<b>Net current liabilities</b>		<u>(2,539,113)</u>	<u>(2,495,721)</u>
<b>Total assets less current liabilities</b>		1,177,420	1,152,387
<b>Creditors: Amounts falling due after more than one year</b>	<u>16</u>	(212,065)	(132,422)
<b>Provisions for liabilities</b>	<u>20</u>	(93,731)	(17,658)
<b>Net assets</b>		<u>871,624</u>	<u>1,002,307</u>
<b>Capital and reserves</b>			
Called up share capital	<u>19</u>	75,000	75,000
Other reserves		12,713	12,713
Profit and loss account		783,911	914,594
Shareholders' funds		<u>871,624</u>	<u>1,002,307</u>

The company has taken the exemption in s408 from producing an individual Profit and Loss Account.  
The company made a profit after tax for the financial year of £67,002 (2020 - profit of £54,701).

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised by the Board on 17 May 2022 and signed on its behalf by:

M Ahluwalia

Director

# Tone Group Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Share option reserve £	Profit and loss account £	Total £
At 1 January 2021	75,000	12,713	5,366,705	5,454,418
Profit for the year	-	-	1,091,984	1,091,984
Total comprehensive income	-	-	1,091,984	1,091,984
Dividends	-	-	(197,685)	(197,685)
At 31 December 2021	75,000	12,713	6,261,004	6,348,717

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2020	75,000	12,713	4,533,666	4,621,379
Profit for the year	-	-	1,003,542	1,003,542
Total comprehensive income	-	-	1,003,542	1,003,542
Dividends	-	-	(170,503)	(170,503)
At 31 December 2020	75,000	12,713	5,366,705	5,454,418

# Tone Group Limited

## Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Share option reserve £	Profit and loss account £	Total £
At 1 January 2021	75,000	12,713	914,594	1,002,307
Profit for the year	-	-	67,002	67,002
Total comprehensive income	-	-	67,002	67,002
Dividends	-	-	(197,685)	(197,685)
At 31 December 2021	75,000	12,713	783,911	871,624

	Share capital £	Other reserves £	Retained earnings £	Total £
At 1 January 2020	75,000	12,713	1,030,396	1,118,109
Profit for the year	-	-	54,701	54,701
Total comprehensive income	-	-	54,701	54,701
Dividends	-	-	(170,503)	(170,503)
At 31 December 2020	75,000	12,713	914,594	1,002,307

# Tone Group Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,091,984	1,003,542
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		1,020,250	965,065
Profit on disposal of property plant and equipment		(38,066)	(34,440)
Finance income	<u>5</u>	(1)	(39)
Finance costs	<u>6</u>	18,509	23,077
Corporation tax		398,786	101,326
		<u>2,491,462</u>	<u>2,058,531</u>
Working capital adjustments			
(Increase)/decrease in trade and other debtors	<u>14</u>	(784,336)	60,750
(Decrease)/increase in trade and other creditors	<u>16</u>	(375,826)	23,682
Cash generated from operations		1,331,300	2,142,963
Corporation tax (paid)/received	<u>10</u>	(84,278)	99,619
Net cash flow from operating activities		<u>1,247,022</u>	<u>2,242,582</u>
<b>Cash flows from investing activities</b>			
Interest received		1	39
Acquisitions of property plant and equipment		(799,401)	(910,486)
Proceeds from sale of property plant and equipment		88,820	52,046
Net cash flows from investing activities		<u>(710,580)</u>	<u>(858,401)</u>
<b>Cash flows from financing activities</b>			
Interest paid	<u>6</u>	(18,509)	(23,077)
New loans		-	-
Repayment of bank borrowing		(23,816)	(281,658)
Net proceeds from other borrowings		-	(379,447)
Payments to finance lease creditors		(345,603)	(160,880)
Dividends paid		(197,685)	(170,503)
Net cash flows from financing activities		<u>(585,613)</u>	<u>(1,015,565)</u>
Net (decrease)/increase in cash and cash equivalents		(49,171)	368,616
Cash and cash equivalents at 1 January		843,432	474,816
Cash and cash equivalents at 31 December	<u>15</u>	<u>794,261</u>	<u>843,432</u>



# **Tone Group Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **1 General information**

The company is a private company limited by share capital, incorporated in England.  
The principal activity of the individual company and group is disclosed in the Strategic Report.

The address of its registered office is:

c/o McBrides Accountants LLP  
Nexus House  
2 Cray Road  
Sidcup  
Kent  
DA14 5DA

The principal place of business is:

Green Lane Sawmills  
Green Lane  
Outwood  
Redhill  
Surrey  
RH1 5QP

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

#### **Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

These financial statements have been prepared using the historical cost convention.

#### **Summary of disclosure exemptions**

The company has taken advantage of the reduced disclosure exemption in accordance with FRS102 Section 1.12. This has resulted in the omission of;

- Parent Statement of Cash Flows

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2021.

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

## **Tone Group Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein.

Deferred cash payments arising and payable following the acquisition of a subsidiary are recognised at amortised cost using an appropriate rate of interest.

#### **Going concern**

After reviewing the group's forecasts and projections the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Specifically, judgements and estimates are required in determining the useful economic lives of fixed assets and the recoverability of applications for payment and trade debtors.

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

# **Tone Group Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the group's activities.

With regards to long term contracts, turnover is calculated at that proportion of total contract value which costs incurred to date bear to total costs expected for that contract.

### **Government grants**

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received.

The company has adopted the accrual model for accounting for government grants. Grants relating to revenue are recognised in income on a systematic basis over the same period as the related costs for which the grant is intended to compensate. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred corporation tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Enhanced tax relief claims in relation to research and development are made, time permitting, in the same accounting period for which the eligible expenditure is identified. Otherwise, tax recoverable in relation to retrospective claims are recognised in the accounting period when those claims are submitted to HMRC.

### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. On an annual basis the directors consider the necessity of a provision for items that have been broken, scrapped or used for one-off projects and where they conclude a scrapping provision is required, items will be removed from the records in order to ensure plant and machinery is not overstated in the financial statements.

## **Tone Group Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land and buildings	Over the term of the lease
Plant and machinery	10% straight line
Furniture, fixtures & fittings	15 - 25% reducing balance
Motor vehicles	25% reducing balance

#### **Goodwill**

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Separately acquired intangible assets are shown at historical cost.

Brands and other intangible assets acquired in a business combination are recognised at cost at the acquisition date.

Brands and other intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	10% - 20% straight line
Brand	17% straight line
Website	20% straight line
Other identifiable intangible assets	20% straight line

#### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

## **Tone Group Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Financial assets are classified as financial assets at fair value through profit or loss, loans and debtors, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial assets at initial recognition.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, trade and other creditors, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial liabilities at initial recognition.

##### ***Recognition and measurement***

All financial instruments are recognised initially at fair value plus transaction costs. Thereafter financial instruments are stated at amortised cost using the effective interest rate method (less impairment where appropriate) unless the effect of discounting would be immaterial in which case they are stated at cost (less impairment where appropriate). The exception to this are those financial instruments where it is a requirement to continue recording them at fair value through profit and loss.

##### ***Impairment***

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 of the asset have been affected.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade and other debtors**

Trade debtors, other debtors and applications for payment are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment, except where the effect of discounting would be immaterial. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtor.

#### **Trade and other creditors**

Trade creditors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial. In such cases creditors are stated at transaction price.

## **Tone Group Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share based payments**

Equity settled share-based payments are measured at fair value at the grant date using the Black-Scholes pricing model and Monte Carlo simulation model. This is expensed to the income statement on a straight-line basis over the vesting period and the corresponding credit side of the entry is recorded in equity.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Rendering of services	13,429,616	10,662,960

The analysis of the group's revenue for the year by class of business is as follows:

	2021 £	2020 £
Contract scaffolding	11,876,269	9,620,817
Provision of specialist structures and seating	1,553,347	1,042,143
	13,429,616	10,662,960

The analysis of the group's turnover for the year by market is as follows:

	2021 £	2020 £
UK	13,429,616	10,662,960

### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Government grants	-	483,071
Rental income	-	(7,871)
	-	475,200

### 5 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	1	39

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 6 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	62	4,824
Interest on obligations under finance leases and hire purchase contracts	17,012	17,238
Interest expense on other finance liabilities	1,435	1,015
	<u>18,509</u>	<u>23,077</u>

### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	5,381,402	5,614,336
Social security costs	588,872	592,192
Pension costs, defined contribution scheme	96,254	120,374
	<u>6,066,528</u>	<u>6,326,902</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Operatives	86	100
Management and administration	29	34
	<u>115</u>	<u>134</u>

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	<u>128,891</u>	<u>118,624</u>

### 9 Auditors' remuneration

	2021 £	2020 £
Audit of these financial statements	<u>28,180</u>	<u>21,750</u>



# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 10 Tax

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	98,827	84,312
UK corporation tax adjustment to prior periods	(8,029)	(23,257)
	<u>90,798</u>	<u>61,055</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>307,988</u>	<u>40,271</u>
Tax charge in the profit and loss account	<u><u>398,786</u></u>	<u><u>101,326</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>1,490,770</u>	<u>1,104,868</u>
Corporation tax at standard rate	283,246	209,925
Effect of revenues exempt from taxation	(7,608)	(7,686)
Effect of expense not deductible in determining taxable profit (tax loss)	760	5,959
Effect of tax losses	-	(2,638)
Deferred tax movement	307,988	40,271
Decrease in UK current tax from adjustment for prior periods	(8,029)	(23,257)
Tax (decrease)/increase from effect of capital allowances and depreciation	(178,787)	1,075
Tax increase from other short-term timing differences	1,216	3,231
Tax decrease from effect of adjustment in research and development tax credit	-	(125,554)
Total tax charge	<u><u>398,786</u></u>	<u><u>101,326</u></u>

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

In the Spring Budget 2021, the government announced that the main corporation tax rate for the years starting 1 April 2021 and 2022 would remain at 19%. The rate will increase to 25% from 1 April 2023 and this is the rate that has been applied when measuring deferred tax in these financial statements.

### Deferred tax

#### Group

Deferred tax assets and liabilities

	Liability £
<b>2021</b>	
	601,814
	<hr/>
<b>2020</b>	Liability £
	293,826
	<hr/>

#### Company

Deferred tax assets and liabilities

	Liability £
<b>2021</b>	
	93,731
	<hr/>
<b>2020</b>	Liability £
	17,658
	<hr/>

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 11 Intangible assets

#### Group

	Goodwill £	Other intangible assets £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	1,184,706	118,000	1,302,706
At 31 December 2021	1,184,706	118,000	1,302,706
<b>Amortisation</b>			
At 1 January 2021	1,079,719	113,729	1,193,448
Amortisation charge	23,772	4,271	28,043
At 31 December 2021	1,103,491	118,000	1,221,491
<b>Carrying amount</b>			
At 31 December 2021	81,215	-	81,215
At 31 December 2020	104,987	4,271	109,258

Goodwill represents the carrying value of goodwill acquired on the acquisition of Austen Lewis Limited with a carrying value of £81,215 and remaining amortisation period of 4 years. Goodwill acquired on acquisition of other subsidiaries have been fully amortised.

Other intangible assets represent the carrying value of intangible assets acquired on the acquisition of Austen Lewis Limited. The intangible assets include the acquired brand and website, domain and operational knowledge with a carrying value of £Nil.

The amortisation expense for the year and prior year are included in administration expenses.

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 12 Tangible assets

#### Group

	Leasehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	1,193,778	2,024,998	1,893,715	11,320,041	16,432,532
Additions	220,570	12,191	351,804	1,016,330	1,600,895
Disposals	-	(4,420)	(99,998)	(32,580)	(136,998)
At 31 December 2021	1,414,348	2,032,769	2,145,521	12,303,791	17,896,429
<b>Depreciation</b>					
At 1 January 2021	439,017	1,817,004	1,179,170	8,857,547	12,292,738
Charge for the year	141,244	47,081	228,382	575,500	992,207
Eliminated on disposal	-	(2,228)	(80,439)	(3,577)	(86,244)
At 31 December 2021	580,261	1,861,857	1,327,113	9,429,470	13,198,701
<b>Carrying amount</b>					
At 31 December 2021	834,087	170,912	818,408	2,874,321	4,697,728
At 31 December 2020	754,761	207,994	714,545	2,462,494	4,139,794

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Plant and machinery	476,750	-
Motor vehicles	474,435	466,890
	951,185	466,890

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### Company

	Furniture, fittings and equipment £	Motor vehicles £	Plant and Equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	882,706	1,730,328	4,806,861	7,419,895
Additions	-	351,804	96,099	447,903
Disposals	-	(87,248)	-	(87,248)
At 31 December 2021	882,706	1,994,884	4,902,960	7,780,550
<b>Depreciation</b>				
At 1 January 2021	864,672	1,030,107	4,385,474	6,280,253
Charge for the year	6,417	226,666	131,121	364,204
Eliminated on disposal	-	(71,974)	-	(71,974)
At 31 December 2021	871,089	1,184,799	4,516,595	6,572,483
<b>Carrying amount</b>				
At 31 December 2021	11,617	810,085	386,365	1,208,067
At 31 December 2020	18,034	700,221	421,387	1,139,642

### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Motor vehicles	474,435	466,890

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 13 Investments

#### Company

	2021 £	2020 £
Investments in subsidiaries	<u>2,508,466</u>	<u>2,508,466</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 January 2021		3,208,466
<b>Provision</b>		
At 1 January 2021		<u>700,000</u>
<b>Carrying amount</b>		
At 31 December 2021		<u>2,508,466</u>
At 31 December 2020		<u>2,508,466</u>

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
<b>Subsidiary undertakings</b>				
Tone Scaffolding Services Limited	England	Ordinary	100%	100%
Media Structures Limited		Ordinary	100%	100%
Austen Lewis Limited	England	Ordinary	100%	100%
Tone Hire and Sales Limited		Ordinary	100%	100%
A.M.E. National Rigging Limited	England	Ordinary	100%	100%

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### Subsidiary undertakings

#### *Tone Scaffolding Services Limited*

The principal activity of Tone Scaffolding Services Limited is the provision of contract scaffolding.

#### *Media Structures Limited*

The principal activity of Media Structures Limited is the provision of specialist structures.

#### *Austen Lewis Limited*

The principal activity of Austen Lewis Limited is the provision of specialist seating.

#### *Tone Hire and Sales Limited*

The principal activity of Tone Hire and Sales Limited is that of a non trading dormant company.

#### *A.M.E. National Rigging Limited*

The principal activity of A.M.E. National Rigging Limited is that of a non trading dormant company.

### 14 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	2,502,859	2,144,581	4,020	40
Accrued income	114,221	12,090	-	-
Other debtors	386,436	172,519	85,595	88,488
Prepayments	299,180	189,170	2,530	850
Corporation tax recoverable	-	53	-	53
	<hr/>	<hr/>	<hr/>	<hr/>
Total current trade and other receivables	<u>3,302,696</u>	<u>2,518,413</u>	<u>92,145</u>	<u>89,431</u>

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 15 Cash and cash equivalents

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Cash on hand	8,017	8,017	3,589	3,589
Cash at bank	786,244	835,415	34,950	7,172
	<u>794,261</u>	<u>843,432</u>	<u>38,539</u>	<u>10,761</u>

### 16 Creditors

		Group		Company	
	Note	2021 £	2020 £	2021 £	2020 £
<b>Due within one year</b>					
Loans and borrowings	<u>17</u>	267,154	233,027	170,647	233,027
Trade creditors		659,037	924,158	1,850	47,115
Amounts due to group companies		-	-	2,455,065	2,278,114
Social security and other taxes		249,513	311,717	27,275	21,442
Other creditors		40,773	38,395	1,565	2,820
Accruals		106,255	157,134	13,395	13,395
Corporation tax	<u>10</u>	<u>72,267</u>	<u>65,800</u>	-	-
		<u>1,394,999</u>	<u>1,730,231</u>	<u>2,669,797</u>	<u>2,595,913</u>
<b>Due after one year</b>					
Loans and borrowings	<u>17</u>	<u>530,370</u>	<u>132,422</u>	<u>212,065</u>	<u>132,422</u>

### 17 Loans and borrowings

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
<b>Non-current loans and borrowings</b>				
Finance lease liabilities	<u>530,370</u>	<u>132,422</u>	<u>212,065</u>	<u>132,422</u>



# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>				
Bank borrowings	900	24,716	900	24,716
Finance lease liabilities	266,254	208,311	169,747	208,311
	<u>267,154</u>	<u>233,027</u>	<u>170,647</u>	<u>233,027</u>

### Group

#### Finance lease liabilities

Obligations under finance lease agreements with a carrying amount of £796,984 (2020 - £340,733) are denominated in Sterling and accrue interest at a nominal interest rate of 2.6% to 9.2%. The final instalment of these liabilities is due on 31 October 2025.

Obligations under hire purchase and leasing agreements are secured against the assets concerned. Repayments are made monthly consisting of both interest and principal.

### Company

#### Finance lease liabilities

Obligations under finance lease agreements with a carrying amount of £381,812 (2020 - £340,733) are denominated in Sterling and accrue interest at a nominal interest rate of 2.6% to 9.2%. The final instalment is due on 30 September 2024.

Obligations under hire purchase and leasing agreements are secured against the assets concerned. Repayments are made monthly consisting of both interest and principal.

## 18 Obligations under leases and hire purchase contracts

### Group

#### Operating leases

The total of future minimum lease payments is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than one year	290,197	200,000
Later than one year and not later than five years	694,120	116,667
Later than five years	737,503	-
	<u>1,721,820</u>	<u>316,667</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £337,378 (2020 - £167,038).

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 19 Share capital

#### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	75,000	75,000	75,000	75,000

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All Ordinary shares rank equally with regard to the company's residual assets.

### 20 Deferred tax and other provisions

#### Group

	Deferred tax £	Total £
At 1 January 2021	293,826	293,826
Increase (decrease) in existing provisions	307,988	307,988
At 31 December 2021	601,814	601,814

#### Company

	Deferred tax £	Total £
At 1 January 2021	17,658	17,658
Increase (decrease) in existing provisions	76,073	76,073
At 31 December 2021	93,731	93,731

### 21 Pension and other schemes

#### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £96,254 (2020 - £120,374).

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 22 Share-based payments

#### Enterprise Management Incentive (EMI) scheme

##### Scheme details and movements

The company has established an EMI scheme which grants the option holder the right to acquire up to 7,500 shares. The options can be exercised under certain conditions and will lapse on the 10th anniversary of the grant date. No options have been exercised at the end of the reporting period.

### 23 Dividends

	2021 £	2020 £
Interim dividend of £2.64 (2020 - £2.27) per ordinary share	<u>197,685</u>	<u>170,503</u>

### 24 Analysis of changes in net debt

	At 1 January 2021 £	Financing cash flows £	New finance leases £	At 31 December 2021 £
Cash	843,432	(49,171)	-	794,261
Short term borrowings	(24,716)	23,816	-	(900)
Lease liabilities	<u>(340,733)</u>	<u>345,603</u>	<u>(801,494)</u>	<u>(796,624)</u>
	<u>477,983</u>	<u>320,248</u>	<u>(801,494)</u>	<u>(3,263)</u>

### 25 Related party transactions

#### Group

##### Transactions with directors

	At 1 January 2021 £	Advances to directors £	Repayments by director £	At 31 December 2021 £
2021 Directors loan account	24,588	187,497	(187,800)	24,285

# Tone Group Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

	At 1 January 2020 £	Advances to directors £	Repayments by director £	At 31 December 2020 £
<b>2020</b>				
Directors loan account	(59,490)	246,056	(161,978)	24,588

### Dividends paid to directors

	2021 £	2020 £
Dividends paid	187,800	161,978

The Directors loan account is interest free and due on demand.

### Summary of transactions with all subsidiaries

The company has taken advantage of the exemption in FRS 102 33.1A "Related Party Disclosures" from disclosing transactions with other members of the group.

### Income and receivables from related parties

	Other related parties £
<b>2021</b>	
Amounts receivable from related party	314,062
<b>2020</b>	
Amounts receivable from related party	79,139

### Expenditure with and payables to related parties

		Other related parties £
2021		
Rent payable		337,378
Amounts payable to related party		35,080
	Key management £	Other related parties £
2020		
Rent payable	21,600	136,042
Amounts payable to related party	-	10,535



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