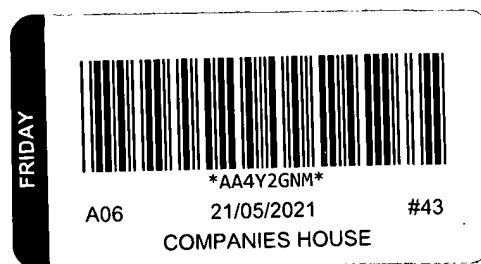


Registered No. 05522263

**Mobility Bathing Group Limited**  
**Annual Report and Financial Statements**  
**For the Year ended 31 August 2020**



**Mobility Bathing Group Limited**  
**Annual Report and Financial Statements**  
**Contents**

	<b>Page</b>
Company information	1
Strategic report	2
Directors' report	4
Independent auditor's report	7
Profit and loss account	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13

## **Mobility Bathing Group Limited**

### **Company information**

Company number	05522263
Registered office	Unit 20-21 Padgets Lane Redditch Worcestershire B98 0RA
Directors	L Ellis J Ling
Auditors	Grant Thornton UK LLP The Colmore Building 20 Colmore Circus Birmingham B4 6AT

## Mobility Bathing Group Limited

### Strategic report

### For the financial year ended 31 August 2020

The directors present their strategic report for the financial year ended 31 August 2020.

#### Principal activity

The principal activity of the company is the sale of bathroom equipment in the UK directly to end-customers.

The company provides tailor-made assisted bathing solutions to individual consumers as effectively and efficiently as possible. The business works closely with key suppliers to ensure products are closely aligned with customers' needs, and a customer-focused installations team is continually targeted to deliver the solution to the customer in the most effective way possible and with minimal disruption. Customers' needs are consulted and verified throughout the process, and system improvements continually sought and implemented to streamline the tasks involved in delivering the solution to the customer.

#### Review of the business

As a result of the outbreak of the Covid-19 pandemic during the year, the company was forced to operate at a reduced volume for part of the year. The impact of this was mitigated by careful management of the cost base and working capital.

Analysis of the performance of the business using key performance indicators is as follows:

	2020	2019
Order intake	£19,297,000	£24,409,000
Turnover	£18,141,000	£26,004,000
Gross profit	£2,582,000	£4,359,000
Gross profit %	14.2%	16.8%
Operating loss	£1,391,000	£323,000
Operating loss %	7.7%	1.2%
Net assets	£790,000	£2,237,000

#### Events since the balance sheet date

In February 2021, the company breached its covenants as a result of supply chain disruption brought about by Covid-19. The bank are aware of the breach but given the very challenging trading conditions, and having reviewed the re-forecast prepared by the directors in light of the ongoing pandemic situation, have remained supportive of the company. This is discussed in more detail in the Going Concern section of the Directors' Report on pages 4-5.

#### Future developments

The company continues to pursue its business objectives of achieving growth in revenue and profitability, along with continued and sustainable cash generation, utilising market growth opportunities presented by the favourable demographic outlook for its core customer base. Delivering a high level of customer service is at the forefront of the strategy underpinning these objectives.

## **Mobility Bathing Group Limited**

### **Strategic report (continued)**

### **For the financial year ended 31 August 2020**

#### **Principal risks and uncertainties**

The directors meet regularly and formally review the principal risks facing the business. The principal risks and uncertainties identified by the directors are as follows:

##### *Covid 19*

At the date of this report, the company continues to be affected by the impact of the Covid-19 pandemic.

Most of the company's customers require the benefits our solutions can offer in the short term in order to fulfil their desire of being able to continue living in their own home. Given the impact of Covid-19, continuing to live at home is seen as increasingly important. This, combined with the fact that the majority of the company's customer base has now been given at least one dose of a Covid-19 vaccine, has resulted in increased consumer confidence in recent months.

However, the impact of Covid-19 has resulted in significant supply chain disruption. The impact of this is discussed in further detail in the Directors' report on pages 4-5.

#### **Financial risk management**

##### *Liquidity risk*

Management actively monitor workings capital to ensure that the company has sufficient available funds for operations and for meeting its debts as they fall due. The company has access to a revolving credit facility and continues to operate within its available facilities.

##### *Credit risk*

The company has no significant concentration of credit risk, with exposure spread over a large number of individual customers. Trade debtors and amounts owed by group undertakings are reviewed by the directors on a regular basis.

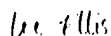
##### *Interest rate risk*

The company maintains debt at a fixed margin to ensure certainty of future cash flows.

##### *Price risk*

The company is exposed to limited commodity price risk but does not manage this exposure due to cost benefit considerations. The company sells into the UK market only and therefore does not suffer foreign exchange risk.

Approved by the Board of Directors on 1 April 2021 and signed on its behalf by



L Ellis  
Director

## **Mobility Bathing Group Limited**

### **Directors' report**

#### **For the financial year ended 31 August 2020**

The directors present their report together with the audited financial statements of the company for the financial year ended 31 August 2020.

#### **Directors**

The directors who served the company during the financial year and up to the date of signing these financial statements unless otherwise stated were:

L Ellis

J Ling (appointed 1 December 2019)

L Warriner (resigned 17 February 2020)

K Bage (resigned 31 January 2020)

#### **Results and dividends**

The trading results for the year and the company's financial position at the year end are shown in the attached financial statements and are discussed further in the business review. No dividend was declared or paid during the financial year (2019 - £nil).

#### **Events since the balance sheet date and future developments**

Events since the balance sheet and details of the likely future developments of the business of the company are provided in the Strategic Report.

#### **Financial instruments**

Details of financial instruments are provided in the Strategic Report.

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 and 3 and include the section entitled 'Principal Risks and Uncertainties'. The Review of the Business section on page 2 describes the financial position of the company as at 31 August 2020.

Along with many other businesses, the company experienced the impacts of the unprecedented emergence of the Coronavirus pandemic throughout 2020 and into 2021. The company successfully mitigated many of the impacts of the first UK-wide lockdown across March to June 2020 through a combination of proactive cash management activities, tight cost base control, the support of key suppliers and the support measures introduced by the Government to protect businesses. These mitigating activities continue to be successfully deployed in dealing with the ongoing impact of Covid-19 restrictions, most notably the November 2020 lockdown and the subsequent lockdown, which began in January 2021.

## **Mobility Bathing Group Limited**

### **Directors' report (continued)**

#### **For the financial year ended 31 August 2020**

##### **Going concern (continued)**

As a result of the successful roll out by the Government of the Covid-19 vaccination programme across the latter part of 2020 and into 2021, the company is seeing increased consumer confidence. The majority of customer are aged over 70 and have now been given at least one dose of a vaccine. That said, the impact of Covid-19 has caused significant disruption to our supply chain with UK port congestion, shipping container shortages in China leading to both unprecedented increases in the deep-sea shipping rates and stock availability issues.

In January 2021, in light of the ongoing impact of the developing pandemic situation, the directors carried out a re-forecasting exercise for FY21 and FY22. Management, however, recognise the inherent risks relating to the assumptions underlying the forecast. In particular, whilst supply chain disruption is expected to be a short-term issue, on-going disruption of this nature could result in forecast performance not being achieved within a particular financial period.

In February 2021, as a result of the abovementioned supply chain disruption, the company breached its covenants. The bank are aware of the breach but given the very challenging trading conditions, and having reviewed the re-forecast, have remained supportive of the company.

On this basis, the directors consider that the potential future macroeconomic impact of Covid-19 represents a material uncertainty as the breaching of facilities could cast significant doubt on the company's ability to continue as a going concern. The company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the directors confirm that, after due consideration, they have an expectation that the company has adequate resources to continue for the foreseeable future and as such, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

##### **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) including FRS102 "The Financial Reporting Standard in the UK and Republic of Ireland". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

**Mobility Bathing Group Limited**  
**Directors' report (continued)**  
**For the financial year ended 31 August 2020**

**Statement of directors' responsibilities (continued)**

In preparing these financial statements, the directors are required to:

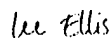
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

**Statement as to disclosure of information to the auditors**

Each director has taken the 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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board of Directors on 1 April 2021 and signed on its behalf by



L Ellis  
Director



## **Independent auditor's report to the members of Mobility Bathing Group Limited**

### **Opinion**

We have audited the financial statements of Mobility Bathing Group Limited (the 'company') for the period ended 31 August 2020, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its loss for the period 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.

### **The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

## **Independent auditor's report to the members of Mobility Bathing Group Limited**

### **Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which indicates that the company's trade has been negatively impacted by Covid-19 resulting in a breach of the covenants relating to the group's bank facilities at 28 February 2021. Accordingly, whilst management expect the bank to remain supportive, the bank loans described in note 19 could be withdrawn without notice. As stated in note 1, these events and conditions, along with the other matters as set forth in note 1, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

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

## **Independent auditor's report to the members of Mobility Bathing Group Limited**

### **Responsibilities of directors for the financial statements**

As explained more fully in the statement of directors' responsibilities set out on pages 6 and 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

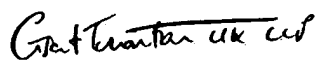
### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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.



John Coates BSc BFP FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
1 April 2021

**Mobility Bathing Group Limited****Profit and loss account****For the financial year ended 31 August 2020**

	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Turnover</b>	3	18,141	26,004
<b>Cost of sales</b>		(15,559)	(21,645)
<b>Gross profit</b>		2,582	4,359
<b>Administrative expenses</b>		(4,234)	(4,682)
<b>Other operating income</b>	4	261	-
<b>Operating loss</b>	5	(1,391)	(323)
<b>Interest payable and similar expenses</b>	8	(56)	(53)
<b>Loss before tax</b>		(1,447)	(376)
<b>Tax on loss</b>	9	41	126
<b>Loss for the financial year</b>		(1,406)	(250)
<b>Total comprehensive expense for the financial year</b>		(1,406)	(250)

The above results were derived from continuing operations

The notes on pages 13 to 27 form part of these financial statements

**Mobility Bathing Group Limited – company registration number 05522263****Balance sheet****As at 31 August 2020**

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	10	636	728
<b>Current assets</b>			
Stocks	11	69	328
Debtors	12	8,875	8,261
Cash at bank and in hand		574	353
		9,518	8,942
<b>Creditors: amounts falling due within one year</b>	13	(9,101)	(7,279)
<b>Net current assets</b>		417	1,663
<b>Total assets less current liabilities</b>		1,053	2,391
Provisions for liabilities	14	(222)	(154)
<b>Net assets</b>		831	2,237
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Profit and loss account		831	2,237
<b>Shareholders' funds</b>		831	2,237

The financial statements on pages 10 to 27 were approved by the Board of Directors on 1 April 2021 and signed on its behalf by

*L. Ellis*  
.....

L Ellis  
Director

The notes on pages 13 to 27 form part of these financial statements

**Mobility Bathing Group Limited**  
**Statement of changes in equity**  
**For the year ended 31 August 2020**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 1 September 2018</b>	-	2,487	2,487
Loss for the financial year ended 31 August 2019	-	(250)	(250)
Other comprehensive income for the financial year ended 31 August 2019	-	-	-
<b>Total comprehensive expense for the financial year ended 31 August 2019</b>	-	(250)	(250)
<b>At 31 August 2019</b>	-	2,237	2,237
Loss for the financial year ended 31 August 2020	-	(1,406)	(1,406)
Other comprehensive income for the financial year ended 31 August 2020	-	-	-
<b>Total comprehensive expense for the financial year ended 31 August 2020</b>	-	(1,406)	(1,406)
<b>At 31 August 2020</b>	-	831	831

The notes on pages 13 to 27 form part of these financial statements

# **Mobility Bathing Group Limited**

## **Notes to the financial statements**

### **For the year ended 31 August 2020**

#### **1. Accounting policies**

##### **Statement of compliance**

Mobility Bathing Group Limited is a company limited by shares, incorporated and domiciled in England and Wales with registration number 05522263. The address of its registered office is:

Units 20-21  
Padgets Lane  
Redditch  
B98 0RA

The financial statements of Mobility Bathing Group Limited have been prepared in accordance with the requirements of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102") and the Companies Act 2006.

The financial statements of Mobility Bathing Group Limited were approved for issue by the Board of Directors on 1 April 2021.

##### **Basis of preparation**

The financial statements have been prepared on the going concern basis and under the historical cost convention.

The financial statements are prepared in Pounds Sterling, which is the functional currency of the company, and are rounded to the nearest £'000.

The principal accounting policies of the company, which are set out below, have been consistently applied to all the years presented, unless otherwise stated.

##### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 and 3 and include the section entitled 'Principal Risks and Uncertainties'. The Review of the Business section on page 2 describes the financial position of the company as at 31 August 2020.

Along with many other businesses, the company experienced the impacts of the unprecedented emergence of the Coronavirus pandemic throughout 2020 and into 2021. The company successfully mitigated many of the impacts of the first UK-wide lockdown across March to June 2020 through a combination of proactive cash management activities, tight cost base control, the support of key suppliers and the support measures introduced by the Government to protect businesses. These mitigating activities continue to be successfully deployed in dealing with the ongoing impact of Covid-19 restrictions, most notably the November 2020 lockdown and the subsequent lockdown, which began in January 2021.

## **Mobility Bathing Group Limited**

### **Notes to the financial statements**

#### **For the year ended 31 August 2020**

#### **1. Accounting policies (continued)**

##### **Going concern (continued)**

As a result of the successful roll out by the Government of the Covid-19 vaccination programme across the latter part of 2020 and into 2021, the company is seeing increased consumer confidence. The majority of customer are aged over 70 and have now been given at least one dose of a vaccine. That said, the impact of Covid-19 has caused significant disruption to our supply chain with UK port congestion, shipping container shortages in China leading to both unprecedented increases in the deep-sea shipping rates and stock availability issues.

In January 2021, in light of the ongoing impact of the developing pandemic situation, the directors carried out a re-forecasting exercise for FY21 and FY22. Management, however, recognise the inherent risks relating to the assumptions underlying the forecast. In particular, whilst supply chain disruption is expected to be a short-term issue, on-going disruption of this nature could result in forecast performance not being achieved within a particular financial period.

In February 2021, as a result of the abovementioned supply chain disruption, the company breached its covenants. The bank are aware of the breach but given the very challenging trading conditions, and having reviewed the re-forecast, have remained supportive of the company.

On this basis, the directors consider that the potential future macroeconomic impact of Covid-19 represents a material uncertainty as the breaching of facilities could cast significant doubt on the company's ability to continue as a going concern. The company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the directors confirm that, after due consideration, they have an expectation that the company has adequate resources to continue for the foreseeable future and as such, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.



## **Mobility Bathing Group Limited**

### **Notes to the financial statements**

#### **For the year ended 31 August 2020**

#### **1. Accounting policies (continued)**

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life.

The expected useful lives of assets are as follows:

Computer equipment	5 years
Fixtures and fittings	5 years
Leasehold property improvements	Term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

##### **Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable in respect of the sale of goods and services in the ordinary course of the company's activities. It is stated net of discounts and Value Added Tax.

Revenue is recognised at the point at which the significant risks and rewards of ownership of goods have transferred to the customer. In the case of product installations, this is the point at which the installation is complete. In the case of contracts for supply only, this is the point at which the goods are delivered to the customer.

Revenue is only recognised when it is probable that economic benefits will flow to the company, when the amount of revenue can be measured reliably, and when the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Government grants**

Government grants are recognised on an accruals basis, when it is reasonable to expect that the grants will be received and that all related conditions will be met.

The company does not receive grants in respect of capital expenditure.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

## **Mobility Bathing Group Limited**

### **Notes to the financial statements**

#### **For the year ended 31 August 2020**

## **1. Accounting policies (continued)**

### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes the cost of materials, measured on a first-in first-out basis. Net realisable value is based on estimated selling price less costs expected to be incurred to completion and disposal.

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

### **Provisions for liabilities**

Provisions are recognised where the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are charged as an expense in the profit and loss account in the year that the company becomes aware of the obligation, and are measured as the best estimate of the amount required to settle the obligation at the balance sheet date, taking into account relevant risks and uncertainties.

Installations by the company carry a twelve-month warranty. Provision is made for the costs arising as a result of customer claims under warranty based on historical levels of claims.

### **Tax**

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

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is accounted for to recognise the impact of timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. A deferred tax liability is recognised where a transaction or event that occurred prior to the reporting date results in the company having an obligation to pay tax in future periods in excess of the amount which would be payable if the transaction or event had not occurred. A deferred tax asset is recognised where a transaction or event that occurred prior to the reporting date gives the company the right to pay less tax in the future than would have been payable if the transaction or event had not occurred.

Deferred tax assets are only recognised if it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the period end.

## **Mobility Bathing Group Limited**

### **Notes to the financial statements (continued)**

#### **For the year ended 31 August 2020**

#### **1. Accounting policies (continued)**

##### **Leases**

Rental payments under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised on a straight-line basis over the term of the lease.

##### **Advertising expenditure**

Advertising costs are charged in the profit and loss account as cost of sales in the period in which they are incurred.

##### **Financial instruments**

Basic financial assets, including trade debtors, amounts due from group undertakings, other debtors, and cash at bank and in hand are initially measured at cost and are subsequently measured at amortised cost using the effective interest method. At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, an impairment loss, being the difference between the carrying amount of the asset and the present value of the estimated cash flows discounted at the asset's original effective interest rate, is recognised in the profit and loss account.

Basic financial liabilities, including payments on account, trade creditors, amounts owed to group undertakings and other creditors are initially measured at cost. Debt instruments are subsequently carried at amortised cost using the effective interest method.

The company does not have any financial instruments which are not basic financial assets or liabilities.

##### **Cash at bank and in hand**

Cash comprises cash in hand and deposits at banks which are repayable without penalty on notice of not more than 24 hours.

##### **Trade debtors**

Trade debtors are amounts due from customers in respect of goods sold and services provided in the ordinary course of business.

Trade debtors are recognised at the transaction price less provision for impairment. A provision for impairment of trade debtors is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **Mobility Bathing Group Limited**

### **Notes to the financial statements (continued)**

#### **For the year ended 31 August 2020**

#### **1. Accounting policies (continued)**

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and are subsequently measured at amortised cost using the effective interest method.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the consideration received or receivable, net of the direct costs incurred in issuing the equity instruments. If consideration is deferred and the time value of money is material, initial recognition is at the present value of consideration receivable.

##### **Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period to which they relate. Contributions outstanding at the balance sheet date are included in other creditors.

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

The company is a wholly owned subsidiary of Mobility Group Limited and is included in the consolidated financial statement of Mobility Group Topco Limited (a company incorporated in England and Wales) which are publicly available.

The company has taken advantage of the exemptions available within FRS102 from the requirement to prepare a cash flow statement and the requirement to disclose transactions with wholly owned group companies.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Mobility Group Topco Limited.

The financial statements of Mobility Group Topco Limited are available from that company's registered office at Units 20-21 Padgets Lane, Redditch, B98 0RA.

## **Mobility Bathing Group Limited**

### **Notes to the financial statements (continued)**

#### **For the year ended 31 August 2020**

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

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors have considered whether there are any critical judgements involved in the application of the company's accounting policies and have concluded that there are no such material judgements.

The following are the company's key sources of estimation uncertainty:

#### *Bad debt provision*

The company has recognised a provision for bad debts relating to trade debtors. This is based on a review of the ageing of debtor balances. At 31 August 2020, trade debtors are stated net of a provision of £174k (2019 - £167k).

#### *Warranty provision*

Provision is made for costs arising as a result of customer claims under warranty based on historical levels of claims. At 31 August 2020, the balance sheet included a provision for such claims of £113k (2019 - £113k).

## **3. Turnover**

Turnover represents amounts derived from the provision of goods and services falling within the company's ordinary activities after deducting discounts and, where applicable, value added (or similar) taxes.

All of the company's turnover in the financial year and preceding financial year related to continuing operations and was wholly attributable to the UK market.

## Mobility Bathing Group Limited

### Notes to the financial statements (continued)

#### For the year ended 31 August 2020

#### 4. Other operating income

	2020 £'000	2019 £'000
Government grants receivable	261	-

Government grants relate to amounts receivable from the UK Government as compensation for payroll costs associated with employees who were required to take temporary leave of absence ("furlough") as a result of the impact of the Covid-19 pandemic during the year.

There were no unfulfilled conditions or other contingencies attached to the income recognised during the year

#### 5. Operating loss

	2020 £'000	2019 £'000
Operating loss is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	152	131
Profit on disposal of tangible fixed assets	-	(251)
Impairment of trade receivables	15	119
Inventory recognised as an expense	2,988	3,849
Foreign exchange losses	1	1
Operating lease charges	111	111
Fees payable to the company's auditor for the audit of the company's financial statements	15	15

Fees paid to the company's auditor, Grant Thornton UK LLP, for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of Mobility Group Topco Limited disclose non-audit fees on a consolidated basis.

## Mobility Bathing Group Limited

### Notes to the financial statements (continued)

#### For the year ended 31 August 2020

#### 6. Staff costs

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

	2020 £'000	2019 £'000
Wages and salaries	2,619	2,901
Social security costs	279	305
Pension costs	43	44
	<u>2,941</u>	<u>3,250</u>

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

	2020 Number	2019 Number
Average number of persons directly employed	<u>75</u>	<u>89</u>

#### 7. Directors' remuneration

Remuneration was paid to the company's directors as follows:

	2020 £'000	2019 £'000
Emoluments	<u>39</u>	<u>154</u>

The remuneration of 3 (2019 – 2) of the company's directors was borne by Mobility Group Limited during the year

Post-employment benefits accrued for 3 directors (2019 – 4) under a defined contribution scheme during the year

The key management of the company comprises only the directors, whose remuneration is given above

**Mobility Bathing Group Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 August 2020**

**8. Interest payable and similar expenses**

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
Bank interest payable	56	53

**9. Tax on loss**

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
<b>Current tax</b>		
UK Corporation tax	-	(191)
Adjustments in respect of prior periods	-	(24)
<b>Total current tax credit</b>	-	(215)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(46)	76
Adjustments in respect of prior periods	-	13
Change in tax rate	5	-
<b>Total deferred tax</b>	(41)	89
<b>Tax on loss</b>	(41)	(126)



**Mobility Bathing Group Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 August 2020**

**9. Tax on loss (continued)**

The tax credit on the loss for the year is lower than (2019 – higher than) the standard rate of Corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
Loss before taxation	(1,447)	(376)
Corporation tax at standard rate	(275)	(72)
<i>Effect of:</i>		
Prior period adjustment – current tax	-	(24)
Prior period adjustment – deferred tax	-	13
Change in tax rate	5	(9)
Fixed asset differences	-	(41)
Expenses not deductible for tax purposes	-	7
Deferred tax not recognised	229	-
<b>Tax on loss</b>	<b>(41)</b>	<b>(126)</b>
<b>Deferred tax</b>		

The company's deferred tax balances comprise the following:

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
Deferred tax liability relating to fixed asset timing differences	-	(42)
Short term timing differences	-	1
<b>Deferred tax liability at 31 August</b>	<b>-</b>	<b>(41)</b>

## Mobility Bathing Group Limited

### Notes to the financial statements (continued)

#### For the year ended 31 August 2020

## 9. Tax on loss (continued)

### Factors that may affect future current and future tax charges

Finance Bill 2016, which was substantively enacted on 6 September 2016, provided for a reduction in the main rate of UK Corporation Tax to 17% from 1 April 2020.

Finance Bill 2020 introduced legislation to repeal the previously enacted reduction in the main rate of UK Corporation tax to 17%, maintaining the current rate of 19%. This legislation was substantively enacted on 17 March 2020.

As a result of the current rate of UK Corporation tax of 19% being maintained, there are not expected to be any changes in the company's future tax.

Deferred tax has been calculated at 19%, being the rate substantively enacted at the balance sheet date.

## 10. Tangible fixed assets

	Leasehold property improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
<i>Cost</i>				
At 1 September 2019	399	400	153	952
Additions	4	54	2	60
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	403	454	155	1,012
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>				
At 1 September 2019	23	140	61	224
Charge for the year	40	93	19	152
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	63	233	80	376
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2020	340	221	75	636
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	376	260	92	728
	<hr/>	<hr/>	<hr/>	<hr/>

## Mobility Bathing Group Limited

### Notes to the financial statements (continued)

#### For the year ended 31 August 2020

#### 11. Stocks

	2020 £'000	2019 £'000
Finished goods	69	328

There is no significant difference between the replacement cost of stock and its carrying amount. The directors have considered whether there is any evidence of impairment of stock. No such evidence has been identified and, no impairment provision has been recognised at 31 August 2020

#### 12. Debtors

	2020 £'000	2019 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	372	491
Corporation tax	192	93
Amounts owed by group undertakings	7,498	7,100
Other debtors	321	79
Prepayments and accrued income	492	498
	<u>8,875</u>	<u>8,261</u>

Trade debtors are stated after provision for impairment of £174,000 (2019 - £167,000)

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

#### 13. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Payments received on account	2,581	1,963
Trade creditors	1,282	1,819
Amounts owed to group undertakings	3,240	2,513
Other taxation and social security	1,334	164
Other creditors	56	19
Accruals and deferred income	608	801
	<u>9,101</u>	<u>7,279</u>

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

**Mobility Bathing Group Limited****Notes to the financial statements (continued)****For the year ended 31 August 2020****14. Provisions for liabilities**

	Warranty provision £'000	Deferred tax provision £'000	Other £'000	Total £'000
At 1 September 2019	113	41	-	154
Amounts charged against provision	113	-	109	222
Provision utilised	(113)	(41)	-	(154)
At 31 August 2020	113	-	109	222

The warranty provision represents the estimated cost of dealing with any claims which may be made by customers under warranties provided by the company in respect of the installation of goods. The provision is expected to be utilised within twelve months of the balance sheet date.

Other provisions relate to costs associated with a restructuring plan which was announced in July 2020. The provision is expected to be utilised within twelve months of the balance sheet date.

**15. Share capital**

Allotted, called-up and fully paid shares:

	2020 No.	2020 £	2019 No.	2019 £
Ordinary shares of £1 each	100	-	100	-

**16. Operating lease commitments**

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2020 £'000	2019 £'000
Not later than one year	10	111
Later than one year and not later than 5 years	-	122
At 31 August	10	233

## **Mobility Bathing Group Limited**

### **Notes to the financial statements (continued)**

#### **For the year ended 31 August 2020**

#### **17. Employee benefits**

The company operates a defined contribution retirement benefit scheme for all qualifying employees. The total expense charged to profit or loss in the year ended 31 August 2020 was £43,000 (2019 - £44,000). Unpaid contributions included in other creditors at the balance sheet date amounted to £7,000 (2019 - £5,000).

#### **18. Related party transactions**

The company has applied the exemptions available under FRS102 in respect of disclosure of transactions with fellow group undertakings. There were no other related party transactions in the year.

#### **19. Contingent liabilities**

The company has provided a guarantee in respect of the bank borrowings of its parent company. At 31 August 2020, the value of the parent company's bank borrowings was £21,451k.

#### **20. Ultimate controlling party**

The company's immediate parent company, by virtue of its 100% shareholding in the company, is Mobility Group Limited, a company incorporated in England and Wales.

The ultimate parent company is Mobility Group Topco Limited, a company incorporated in England and Wales.

The parent of the largest group and the smallest group in which these financial statements are consolidated is Mobility Group Topco Limited. The registered office of Mobility Group Topco Limited is:

Unit 20-21 Padgets Lane  
Redditch  
B98 0RA

The most senior parent entity producing publicly available financial statements is Mobility Group Topco Limited. These financial statements are available from the above address.

The ultimate controlling party is Lonsdale Capital Partners L.P.