

Registered number: 05649848

**DAVIES ODELL LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DAVIES ODELL LIMITED**  
**REGISTERED NUMBER:05649848**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	103,940	161,410
		<u>103,940</u>	<u>161,410</u>
<b>Current assets</b>			
Stocks	6	429,467	772,114
Debtors: amounts falling due within one year	7	347,534	496,202
Cash at bank and in hand		3,848	9,628
		<u>780,849</u>	<u>1,277,944</u>
<b>Creditors: amounts falling due within one year</b>	8	(1,015,629)	(1,662,215)
<b>Net current liabilities</b>		<u>(234,780)</u>	<u>(384,271)</u>
<b>Total assets less current liabilities</b>		<u>(130,840)</u>	<u>(222,861)</u>
Creditors: amounts falling due after more than one year	9	(53,641)	(35,164)
<b>Net liabilities</b>		<u>(184,481)</u>	<u>(258,025)</u>
<b>Capital and reserves</b>			
Called up share capital	11	10	10
Share Premium Account	12	54,999	54,999
Other reserves	12	497,221	-
Profit and Loss Account	12	(736,711)	(313,034)
<b>Shareholders' deficit</b>		<u>(184,481)</u>	<u>(258,025)</u>

**DAVIES ODELL LIMITED**  
**REGISTERED NUMBER:05649848**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and the members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

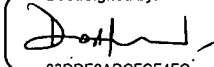
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of Financial Statements.

The Company's Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The Financial Statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The Financial Statements were approved and authorised for issue by the Board and were signed on its behalf by:

DocuSigned by:  
  
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**D A Horner**  
Director

Date: 07 October 2021

The notes on pages 3 to 12 form part of these Financial Statements.

**DAVIES ODELL LIMITED**

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

**1. General information**

Davies Odell Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business is disclosed on the Company Information page.

**2. Accounting policies**

**2.1 Basis of preparation of Financial Statements**

The Financial Statements are prepared in Sterling (£) which is the functional currency of the Company. The Financial Statements are for the year ended 31 December 2020 (2019: year ended 31 December 2019).

The Financial Statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of a judgement or complexity or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.

The following principal accounting policies have been applied consistently throughout the year:

**DAVIES ODELL LIMITED**

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

**2. Accounting policies (continued)**

**2.2 Going concern**

The Company incurred a net loss of £353,916 during the year ended 31 December 2020 and at that date had net current liabilities of £218,660 and net liabilities of £114,720.

As at 31 December 2020 a total of £405,000 was owed to the parent company, CEPS PLC. At the date of approval of these Financial Statements the Directors of CEPS PLC have confirmed they will only request repayment of the amounts due as and when funds permit, and that the amounts due will not become due for a period of at least 12 months from the date of signing the Financial Statements.

At the time of signing these accounts, the Directors have considered the effect of the Coronavirus on the going concern position and have concluded that the Financial Statements should be prepared on a going concern basis. However, the Directors acknowledge that a material uncertainty exists which casts significant doubt on the Company's ability to trade for period of at least 12 months from the date of signing these Financial Statements due to the ongoing uncertainty surrounding Coronavirus and the restrictions in place across the retail sectors.

Like many businesses, the periods of lockdown have been particularly difficult for the Company due to a prolonged shut down of retail shops. The Company has and continues to make use of the UK Government support available to businesses during this difficult time under the Coronavirus Job Retention Scheme, Bounce Back loan, rate grants and through the deferral of VAT payments. With shops now beginning to re-open, the Directors are hopeful trading will improve and demand for the Company's products will increase. The Directors have taken significant steps to reduce costs with employee numbers reduced from 26 to 16 along with reducing spend in other areas of the business. The Company will be reliant on the support of the parent company, CEPS PLC, who has confirmed, as noted above, that the amounts due to CEPS PLC will not become due for a period of at least 12 months from the date of signing the Financial Statements. The Company is also reliant on the ongoing support of its bank to maintain the existing facilities to allow the Company to meet its liabilities as they fall due.

The Directors have prepared detailed forecasts based on the easing of lockdown and reopening of retail shopping which show reduced levels of activity when compared to levels which had previously been budgeted. Using these assumptions, the forecasts show that the Company will be able to operate within the facilities and support available to it.

Given the ongoing uncertainty surrounding Coronavirus and the current and any future restrictions on trading, the final impact on the Company's ability to continue as a going concern may differ from that which is included within these Financial Statements.

On that basis, the Directors have prepared these Financial Statements on a going concern basis.

**DAVIES ODELL LIMITED**

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

**2. Accounting policies (continued)**

**2.3 Turnover**

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

**Sale of goods**

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

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

**2.4 Tangible fixed assets**

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Profit and Loss Account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:

Plant and machinery	- Between 3 and 10 years straight line
Motor vehicles	- 3 years straight line

At each Balance Sheet date, the Company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense immediately.

**DAVIES ODELL LIMITED**

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

**2. Accounting policies (continued)**

**2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the latest purchase price. Work in progress and finished goods include an appropriate proportion of fixed and variable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Profit and Loss Account.

**2.6 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, and other debtors and creditors, loans from banks and other third parties or loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

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

**2.7 Leasing and hire purchase**

Where assets are financed by leasing agreements that give rights approximating to ownership (leasing and hire purchase), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Profit and Loss Account over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Profit and Loss Account over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

**2.8 Operating leases**

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

**DAVIES ODELL LIMITED**

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

**2. Accounting policies (continued)**

**2.9 Pensions**

The Company makes payments to defined contribution schemes for its employees. Defined contribution schemes are those under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the schemes are held separately from the Company in independently administered funds.

**2.10 Foreign currency translation**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

**2.11 Finance costs**

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

**2.12 Government grants**

Grants relating to the job retention scheme and rates grants are recognised when the requirements are met and are recognised in the Profit and Loss account in the period to which they relate.



## DAVIES ODELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**3. Staff costs**

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

	2020 £	2019 £
Wages and salaries	612,323	729,850
Social security costs	55,939	60,954
Cost of defined contribution scheme	25,848	29,343
	<u>694,110</u>	<u>820,147</u>

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

	2020 No.	2019 No.
Management and administration staff	9	8
Production and sales staff	15	18
	<u>24</u>	<u>26</u>

**4. Directors' remuneration**

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

## DAVIES ODELL LIMITED

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

## 5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2020	1,387,744	15,495	1,403,239
Additions	5,199	-	5,199
At 31 December 2020	<u>1,392,943</u>	<u>15,495</u>	<u>1,408,438</u>
<b>Depreciation</b>			
At 1 January 2020	1,226,334	15,495	1,241,829
Charge for the year	62,669	-	62,669
At 31 December 2020	<u>1,289,003</u>	<u>15,495</u>	<u>1,304,498</u>
<b>Net book value</b>			
At 31 December 2020	<u>103,940</u>	<u>-</u>	<u>103,940</u>
At 31 December 2019	<u>161,410</u>	<u>-</u>	<u>161,410</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	<u>34,562</u>	<u>60,250</u>

## 6. Stocks

	2020 £	2019 £
Raw materials	82,725	123,851
Work in progress	2,369	1,041
Finished goods	<u>344,373</u>	<u>647,222</u>
	<u>429,467</u>	<u>772,114</u>

An impairment loss of £Nil (2019: £55,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Stock recognised in cost of sales during the year as an expense was £1,272,541 (2019: £2,124,119).

## DAVIES ODELL LIMITED

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

## 7. Debtors

	2020 £	2019 £
Trade debtors	76,954	356,831
Called up share capital not paid	-	55,008
Prepayments and accrued income	267,152	84,363
Government grants receivable	3,428	-
	<u>347,534</u>	<u>496,202</u>

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

	2020 £	2019 £
Bank overdrafts, invoice discounting and import facilities	256,592	382,583
Bank loans	5,517	-
Other loans	7,969	7,969
Trade creditors	215,461	226,721
Amounts owed to Group undertaking	405,000	756,192
Other taxation and social security	67,617	54,354
Obligations under finance lease and hire purchase contracts	18,039	23,182
Other creditors	642	121,747
Accruals and deferred income	38,792	89,467
	<u>1,015,629</u>	<u>1,662,215</u>

Bank overdrafts, invoice discounting and import facilities are secured by fixed and floating charges over the assets of the Company.

The bank loan is secured by way of a Bounce Back Loan Scheme guarantee.

Other loans are secured by a fixed charge over certain fixed assets of the Company.

Obligations under leasing and hire purchase contracts are secured against the assets to which they relate.

## 9. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans	44,483	-
Other loans	3,321	11,016
Net obligations under finance leases and hire purchase contracts	5,837	24,148
	<u>53,641</u>	<u>35,164</u>

## DAVIES ODELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**10. Leasing and hire purchase**

Minimum lease payments under leasing and hire purchase contracts fall due as follows:

	2020 £	2019 £
Within one year	18,039	23,182
Between 1-5 years	5,837	24,148
	<u>23,876</u>	<u>47,330</u>

**11. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
850 A Ordinary shares of £0.01 each	9	9
150 B Ordinary shares of £0.01 each	1	1
	<u>10</u>	<u>10</u>

The A and B Ordinary shares rank pari passu in respect of voting rights and rights on the return of capital on winding up, a capital reduction or sale or listing.

In respect of dividends, the Company can elect to either pay just A or both A and B shareholders a dividend.

**12. Reserves****Share Premium Account**

The Share Premium Account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and Loss Account**

The Profit and Loss Account includes all current and prior period retained profit and losses. All are considered distributable.

**13. Pension commitments**

The Company makes payments to defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the schemes and amounted to £25,848 (2019: £29,343). Contributions totaling £Nil (2019: £Nil) were payable to the schemes at the reporting date.

**DAVIES ODELL LIMITED**

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

**14. Related party transactions**

At the year end the total amounts owed by a previous Director shareholder were £nil (2019: £70,000) in respect of unpaid share capital and associated expenses.

**15. Controlling party**

The Company is a 100% subsidiary of Vale Brothers Group Limited, which is incorporated in England and Wales. The registered office of Vale Brothers Group Limited is Unit 2, 75 Midland Road, Walsall, WS1 3QQ.