

**Company Registration No. 05734076**

**Newcombustion Engineering Limited**

**Annual Report and Financial Statements**

**Period ended 31 October 2020**



# **Newcombustion Engineering Limited**

## **Annual report and financial statements for the period ended 31 October 2020**

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# **Newcombustion Engineering Limited**

## **Annual report and financial statements 2020**

### **Officers and professional advisers**

#### **Directors**

P Eastwood (appointed 28 September 2020)  
B Gujral (appointed 1 January 2020)

#### **Registered Office**

Meadowcroft Lane  
Halifax Road  
Ripponden  
West Yorkshire  
HX6 4AJ

#### **Auditor**

BDO LLP  
3 Hardman Street  
Manchester  
M3 3AT

# **Newcombustion Engineering Limited**

## **Directors' report**

The Directors present their report and the audited financial statements for the period ended 31 October 2020.

### **Principal activities**

The principal activity of the Company in the period under review was the supply of fire safety equipment and maintenance services. There have not been any significant changes in the Company's principal activities in the period under review.

The Company was acquired on 26 September 2019 by Vanilla Group Limited.

### **Directors**

The Directors who served during the period and subsequently were:

|             |                               |
|-------------|-------------------------------|
| P Eastwood  | (appointed 28 September 2020) |
| P Humphreys | (resigned 31 December 2019)   |
| H Ashton    | (resigned 28 September 2020)  |
| B Gujral    | (appointed 1 January 2020)    |

### **Results and dividends**

The income statement is set out on page 8 and shows the profit for the period of £642,720 (period ended 25 September 2019: £233,112), with the increase being driven by the current period being an extended one, while the prior reporting period was shortened.

No dividends have been paid or proposed during the period (period ended 25 September 2019: £53,333).

### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

### **Provision of information to the auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Going concern**

The Company has a net asset position as at 31 October 2020 of £2,391,117 (2019: £1,748,397) and has recorded a profit of £642,720 (2019: £233,112). The Directors are required to prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. The assessment has been carried out on the cash flows of the wider JLA Group, which the Company is a member of.

The Group plans to consolidate the Company into one Division as part of its strategy to simplify the overall business structure and optimise operational activities. The Company will continue to be active and has received confirmation from the directors of the ultimate parent company, JLA Acquisitions Topco Limited, that they intend to continue to provide support for a period of at least twelve months from the date of approval of these financial statements, which includes both making funds available if required, and not to seek repayment of amounts due at the balance sheet date where this would be detrimental to the Company.

The Company is therefore supported by the parent undertaking, JLA Acquisitions Topco Limited which has the ability and intent to provide this support.

# **Newcombustion Engineering Limited**

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

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

Based on the overall review, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting has been adopted in preparing the financial statements.

### **Auditor**

Deloitte LLP resigned in the period and BDO LLP were appointed as the Company's auditor. BDO LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Directors and signed on behalf of the Board



B Gujral  
Director  
22 September 2021

# **Newcombustion Engineering Limited**

## **Directors' responsibilities statement**

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 period. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland has 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 to 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.

# **Independent auditor's report to the members of Newcombustion Engineering Limited**

## **Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of Newcombustion Engineering Limited ("the Company") for the period ended 31 October 2020 which comprise the income statement, the statement of financial position, the statements 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 Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

## **Independent auditor's report to the members of Newcombustion Engineering Limited (continued)**

### **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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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

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

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

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

### **Responsibilities of directors**

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

In preparing the financial statements, the Directors are responsible for assessing the 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.



## **Independent auditor's report to the members of Newcombustion Engineering Limited (continued)**

### **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: <https://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.

DocuSigned by:  
  
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Gary Harding (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, United Kingdom

24 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number C305127).

# Newcombustion Engineering Limited

## Income statement

Period ended 31 October 2020

|   |       | 13-month period<br>from 26<br>September 2019 -<br>31 October 2020<br>£ | 6-month period<br>from 1 April 2019<br>- 25 September<br>2019<br>£ |
|---|-------|--|--|
|   | Notes |  |  |
| Revenue   | 4     | 3,158,373  | 1,836,529  |
| Cost of sales   |       | (1,787,287)  | (1,193,968)  |
| <b>Gross profit</b>   |       | <b>1,371,086</b>   | <b>642,561</b>   |
| Administrative expenses   |       | (783,983)  | (352,366)  |
| <b>Operating profit before depreciation, profit on disposal of fixed assets, separately disclosed operating items, and other income</b> |       |  |  |
| Depreciation  | 5     | 539,100  | 297,848  |
| Profit on disposal of fixed assets  | 5     | (25,561)   | (11,501)   |
| Separately disclosed items  | 5     | -  | 3,848  |
| Other operating income  | 5     | (29,070)   | -  |
|   |       | 102,634  | -  |
| <b>Operating profit</b>   | 5     | <b>587,103</b>   | <b>290,195</b>   |
| Finance costs   |       | -  | -  |
| <b>Profit before tax</b>  |       | <b>587,103</b>   | <b>290,195</b>   |
| Tax on profit   | 8     | 55,617   | (57,083)   |
| <b>Profit for the financial period</b>  |       | <b>642,720</b>   | <b>233,112</b>   |

There were no other recognised gains or losses other than those included in the income statement and therefore no separate statement of other comprehensive income has been presented

All activities relate to continuing operations in both the current and prior period.

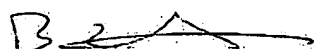
# Newcombustion Engineering Limited

## Statement of financial position As at 31 October 2020

|   | Notes | 31 October<br>2020<br>£ | 25 September<br>2019<br>£ |
|---|-------|-------------------------|---------------------------|
| <b>Non current assets</b>                               |       |                         |                           |
| Property, plant and equipment                           | 9     | 25,854                  | 39,994                    |
|   |       | <u>25,854</u>           | <u>39,994</u>             |
| <b>Current assets</b>                                   |       |                         |                           |
| Inventories   | 10    | 95,062                  | 94,258                    |
| Trade and other receivables                             | 11    | 1,958,443               | 1,017,155                 |
| Cash and bank balances                                  |       | 763,453                 | 1,298,844                 |
|   |       | <u>2,816,958</u>        | <u>2,410,257</u>          |
| <b>Total assets</b>                                     |       | <u>2,842,812</u>        | <u>2,450,251</u>          |
| <b>Current liabilities</b>                              |       |                         |                           |
| Trade and other payables                                | 12    | (448,694)               | (701,854)                 |
|   |       | <u>(448,694)</u>        | <u>(701,854)</u>          |
| <b>Net current assets</b>                               |       | <u>2,368,264</u>        | <u>1,708,403</u>          |
| <b>Total assets less current liabilities</b>            |       | <u>2,394,118</u>        | <u>1,748,397</u>          |
| <b>Non current liabilities</b>                          |       |                         |                           |
| Deferred tax  | 13    | (3,001)                 | -                         |
|   |       | <u>(3,001)</u>          | <u>-</u>                  |
| <b>Net assets</b>                                       |       | <u>2,391,117</u>        | <u>1,748,397</u>          |
| <b>Equity</b>   |       |                         |                           |
| Called up share capital                                 | 14    | 100                     | 100                       |
| Retained earnings                                       | 15    | 2,391,017               | 1,748,297                 |
|   |       | <u>2,391,117</u>        | <u>1,748,397</u>          |
| <b>Equity attributable to the owners of the Company</b> |       | <u>2,391,117</u>        | <u>1,748,397</u>          |

The accompanying notes 1 – 19 are an integral part of the financial statements. The financial statements of Newcombustion Engineering Limited registered number 05734076 were approved by the Board of Directors on 22 September 2021.

Signed on behalf of the Board of Directors



B Gujral  
Director

## Newcombustion Engineering Limited

### Statement of changes in equity For the period ended 31 October 2020

|   | Called up<br>share capital<br>£ | Retained<br>earnings<br>£ | Total<br>£ |
|---|---------------------------------|---------------------------|------------|
| <b>Balance at 31 March 2019</b>                         | 100                             | 1,568,518                 | 1,568,618  |
| Profit and total comprehensive income<br>for the period | -                               | 233,112                   | 233,112    |
| Dividends   | -                               | (53,333)                  | (53,333)   |
| <b>Balance at 25 September 2019</b>                     | 100                             | 1,748,297                 | 1,748,397  |
| Profit and total comprehensive income<br>for the period | -                               | 642,720                   | 642,720    |
| <b>Balance at 31 October 2020</b>                       | 100                             | 2,391,017                 | 2,391,117  |

# **Newcombustion Engineering Limited**

## **Notes to the financial statements For the period ended 31 October 2020**

### **1. General information**

Newcombustion Engineering Limited (the "Company") is a private company limited by shares domiciled and incorporated in England and Wales in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

### **2. Accounting policies**

#### **Basis of preparation of financial statements**

Newcombustion Engineering Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel. Where relevant, equivalent disclosures have been given in the Group financial statements of JLA Midco Limited.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The principal accounting policies adopted are set out below.

#### **Accounting reference date**

The accounting period of the Company ends on the Friday falling between 28 October and 3 November each period but is always reported as at 31 October.

#### **Reporting period**

The current reporting period of 13 months was longer than one year due to a change in accounting reference date to align the reporting period with that of other group companies. Therefore, the previous period of accounts, covering the 6 months to 25 September 2019, is not directly comparable.

#### **Going concern**

The Company has a net asset position as at 31 October 2020 of £2,391,117 (2019: £1,748,397) and has recorded a profit of £642,720 (2019: £233,112). The Directors are required to prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. The assessment has been carried out on the cash flows of the wider JLA Group, which the Company is a member of.

The Group plans to consolidate the Company into one Division as part of its strategy to simplify the overall business structure and optimise operational activities. The Company will continue to be active and has received confirmation from the directors of the ultimate parent company, JLA Acquisitions Topco Limited, that they intend to continue to provide support for a period of at least twelve months from the date of approval of these financial statements, which includes both making funds available if required, and not to seek repayment of amounts due at the balance sheet date where this would be detrimental to the Company.

The Company is therefore supported by the parent undertaking, JLA Acquisitions Topco Limited which has the ability and intent to provide this support.

# **Newcombustion Engineering Limited**

## **Notes to the financial statements For the period ended 31 October 2020**

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

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

Based on the overall review, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting has been adopted in preparing the financial statements.

#### **Property, plant and equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful economic lives, they are accounted for as separate items.

Depreciation is charged to the Income Statement over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful economic lives and depreciation rates are as follows:

|                     |                         |
|---------------------|-------------------------|
| Plant and machinery | - 4 years straight line |
|---------------------|-------------------------|

#### **Inventories**

Inventory is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost includes expenditure incurred in bringing the inventory to its present location and condition and in the case of goods purchased from overseas includes an appropriate element of freight and duty charges. Net realisable value is based on selling price less anticipated sales and distribution costs. Inventory is recognised when the economic benefits and risks associated with the goods have substantially transferred to the Company.

#### **Financial assets**

The Company's financial assets are all categorised as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

#### **Financial liabilities**

The Company's financial liabilities are all categorised as other financial liabilities. Other financial liabilities are measured at amortised cost.

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

Cash and cash equivalents comprise cash balances and deposits with an original maturity of three months or less.

#### **Trade and other payables**

Trade and other payables are non-interest bearing and are stated at their cost.

#### **Financial expenses**

Financial expenses comprise interest payable on interest-bearing loans and borrowings. Financial expenses are recognised in the Income Statement on an effective interest method.

# **Newcombustion Engineering Limited**

## **Notes to the financial statements For the period ended 31 October 2020**

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

#### **Revenue recognition**

The revenue shown in the income statement represents the amount of goods and services provided during the period, stated net of value added tax. Revenue represents the amounts receivable from customers during the period and is recognised on an accruals basis when all of the following conditions are satisfied:

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

#### **Taxation**

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

##### *Current tax*

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

# Newcombustion Engineering Limited

## Notes to the financial statements For the period ended 31 October 2020

### 2. Accounting policies (continued)

#### Taxation (continued)

##### *Current tax and deferred tax for the period*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Government grants

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

A grant specifies performance conditions which are recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability. During the period, the company received grants in the form of the Coronavirus Job Retention Scheme for the furloughing of employees.

#### Pensions

The Company participates in a group defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the period. Differences between contribution payable in the period and those actually paid are included in accruals or prepayments on the balance sheet.

#### Leasing and hire purchase

Assets funded through finance leases and similar hire purchase contracts are capitalised as property, plant and equipment where the Company assumes substantially all of the risks and rewards of ownership. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of the minimum lease payments. Future instalments under such leases, net of financing costs, are included within interest-bearing loans and borrowings.

Rental payments are apportioned between the finance element, which is included in finance costs, and the capital element which reduces the outstanding obligation for future instalments so as to give a constant charge on the outstanding obligation.

All other leases are accounted for as operating leases and the rental costs are charged to the Income Statement on a straight-line basis over the life of the lease.

Operating lease incentives, in the form of rent free periods or support for fit out costs, are recognised on a straight-line basis, as a reduction of the rental expense over the full lease term.

Premia paid to acquire leases are initially deferred and subsequently amortised to the income statement over the life of the lease.

#### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### Separately disclosed items

Separately disclosed items are those items that are unusual because of their size, nature or incidence, which the Directors consider should be disclosed separately on the face of the consolidated income statement in order to enable a full understanding of the Company's results. The Directors consider that this presentation gives a more accurate presentation of the results of the Company.



# Newcombustion Engineering Limited

## Notes to the financial statements For the period ended 31 October 2020

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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.

#### *Critical judgements in applying the Group's accounting policies*

There are no critical judgements, apart from those involving estimation (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies.

#### *Key sources of estimation uncertainty*

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

### 4. Revenue

An analysis of revenue attributable to the one principal activity is shown by geographical segment as follows:

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Distribution and service - United Kingdom | 3,158,373 | 1,836,529 |

### 5. Profit before taxation

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Profit before taxation is stated after charging:                    |           |           |
| Cost of inventories recognised as an expense (note 10)              | 1,003,958 | 593,274   |
| Depreciation of property, plant and equipment:                      |           |           |
| - owned by the Company (note 9)                                     | 25,561    | 11,501    |
| Profit on disposal of fixed assets                                  | -         | 3,848     |
| Separately disclosed items:   |           |           |
| - COVID-19 costs  | 29,070    | -         |
| Operating lease rentals:  |           |           |
| - property  | 56,357    | 22,500    |
| Other income for grants received – Coronavirus Job Retention Scheme | 102,634   | -         |

Separately disclosed items incurred during the period comprise:

- COVID-19 costs are specific costs borne by the business owing to the unprecedented impact to the UK economy caused by the pandemic. They are disclosed separately in order to enable a full understanding of the group's results.

# Newcombustion Engineering Limited

## Notes to the financial statements For the period ended 31 October 2020

| 6. Auditor's remuneration   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 6,000     | -         |

Remuneration paid in relation to the audit has been borne by another group company.

## 7. Staff costs

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

|                       | 2020<br>£        | 2019<br>£      |
|-----------------------|------------------|----------------|
| Wages and salaries    | 1,285,873        | 539,808        |
| Social security costs | 123,525          | 14,553         |
| Other pension costs   | 33,985           | 14,217         |
|                       | <u>1,443,383</u> | <u>568,578</u> |

The average monthly number of employees during the period was as follows:

|                               | 2020<br>No. | 2019<br>No. |
|-------------------------------|-------------|-------------|
| Administration and management | 14          | 14          |
| Selling and production        | 16          | 16          |
|                               | <u>30</u>   | <u>30</u>   |

The Directors were not employed by the business in 2020 (2019: were employed). The four (2019: three) Directors of the Company throughout the period; B Gujral, S Humphreys, H Ashton and P Eastwood (2019: K Newcombe) have received total emoluments of £1,494,000 (2019: £5,500), of which £1,494,000 (2019: £nil) has been borne by another group company, JLA Acquisitions Topco Limited. The active Director's at the period end received remuneration of £384,136 during the period, all of which was borne by the Group.

# Newcombustion Engineering Limited

## Notes to the financial statements For the period ended 31 October 2020

### 8. Taxation

|   | 2020<br>£       | 2019<br>£     |
|---|-----------------|---------------|
| <b>Analysis of tax (credit)/charge in the period</b>                        |                 |               |
| <b>Current tax</b>  |                 |               |
| UK corporation tax (credit)/charge on profit for the period 19% (2019: 19%) | (58,618)        | 57,083        |
| Adjustment to charge for previous period                                    | -               | -             |
| <b>Total current tax</b>  | <b>(58,618)</b> | <b>57,083</b> |
| <b>Deferred tax (see note 13)</b>   |                 |               |
| Origination and reversal of temporary differences                           | 2,244           | -             |
| Adjustment to charge for previous period                                    | 7               | -             |
| Effect of change in tax rate  | 750             | -             |
| <b>Total deferred tax</b>   | <b>3,001</b>    | <b>-</b>      |
| <b>Tax on profit</b>  | <b>(55,617)</b> | <b>57,083</b> |

### Factors affecting tax (credit)/charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

|  | 2020<br>£       | 2019<br>£     |
|--|-----------------|---------------|
| Profit before tax  | 587,103         | 290,195       |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%) | 111,550         | 55,137        |
| Effects of:  |                 |               |
| Rate change  | 669             | -             |
| Adjustment to previous period's charge   | (58,611)        | 1,946         |
| Deferred tax not provided  | 5,674           | -             |
| Group relief claimed   | (114,899)       | -             |
| <b>Tax (credit)/charge for the period</b>  | <b>(55,617)</b> | <b>57,083</b> |

### Factors that may affect future tax charges

The UK Government announced in March 2021 that the main rate of corporation tax will increase from 19% to 25% on 1 April 2023, however this change had not been enacted at the balance sheet date and hence has not been included in the calculation of deferred tax balances.

# Newcombustion Engineering Limited

## Notes to the financial statements For the period ended 31 October 2020

### 9. Property, plant and equipment

|                       | <b>Plant and machinery<br/>£</b> |
|-----------------------|----------------------------------|
| <b>Cost</b>           |                                  |
| At 25 September 2019  | 359,788                          |
| Additions             | 11,421                           |
|                       | <hr/>                            |
| At 31 October 2020    | 371,209                          |
|                       | <hr/>                            |
| <b>Depreciation</b>   |                                  |
| At 25 September 2019  | 319,794                          |
| Charge for the period | 25,561                           |
|                       | <hr/>                            |
| At 31 October 2020    | 345,355                          |
|                       | <hr/>                            |
| <b>Net book value</b> |                                  |
| At 31 October 2020    | 25,854                           |
|                       | <hr/>                            |
| At 25 September 2019  | 39,994                           |
|                       | <hr/>                            |

The entity has no assets under hire purchase lease in either the current or prior period.

### 10. Inventories

|                                     | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|-------------------------------------|-------------------|-------------------|
| Finished goods and goods for resale | 95,062            | 94,258            |
|                                     | <hr/>             | <hr/>             |
| Total                               | 95,062            | 94,258            |
|                                     | <hr/>             | <hr/>             |

There is no material difference between the balance sheet value of inventories and their replacement costs.

The cost of inventories recognised as an expense during the period in respect of continuing operations was £1,003,958 (2019: £593,274).

# Newcombustion Engineering Limited

## Notes to the financial statements For the period ended 31 October 2020

### 11. Trade and other receivables

|                                    | 2020<br>£        | 2019<br>£        |
|------------------------------------|------------------|------------------|
| Trade receivables                  | 675,568          | 712,654          |
| Other receivables                  | 623,913          | 304,501          |
| Amounts owed by group undertakings | 636,575          | -                |
| Prepayments and accrued income     | 22,387           | -                |
|                                    | <u>1,958,443</u> | <u>1,017,155</u> |

Due to the short term nature of the financial assets included in this note, they are held at undiscounted cost and are repayable on demand.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

### 12. Trade and other payables

|                                    | 2020<br>£      | 2019<br>£      |
|------------------------------------|----------------|----------------|
| <b>Current liabilities</b>         |                |                |
| Trade payables                     | 160,329        | 202,543        |
| Amounts owed to group undertakings | 6,250          | -              |
| Corporation tax                    | 57,046         | 200,453        |
| Social security and other taxes    | 140,639        | 191,263        |
| Accruals and deferred income       | 78,090         | -              |
| Other creditors                    | 6,340          | 107,595        |
|                                    | <u>448,694</u> | <u>701,854</u> |

|                                | 2020<br>£    | 2019<br>£ |
|--------------------------------|--------------|-----------|
| <b>Non-current liabilities</b> |              |           |
| Deferred tax                   | <u>3,001</u> | <u>-</u>  |

Due to the short term nature of the financial liabilities included in this note, they are held at undiscounted cost and are repayable on demand.

# Newcombustion Engineering Limited

## Notes to the financial statements For the period ended 31 October 2020

### 13. Deferred taxation

|                                    | 2020<br>£ | 2019<br>£ |
|------------------------------------|-----------|-----------|
| Non current deferred tax liability | 3,001     | -         |
|                                    |           |           |
|                                    | 2020<br>£ | 2019<br>£ |
| At beginning of period             | -         | -         |
| Current period – income statement  | 3,001     | -         |
| At end of period                   | 3,001     | -         |

The deferred taxation balance is made up as temporary differences on the following:

|                                   | Tangible fixed<br>assets<br>£ |
|-----------------------------------|-------------------------------|
| As at 25 September 2019           | -                             |
| Current period – income statement | 3,001                         |
| As at 31 October 2020             | 3,001                         |

There are no unprovided elements of deferred taxation in the current or prior period.

### 14. Share capital

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 100 ordinary shares of £1 each            | 100       | 100       |

### 15. Reserves

The motive and purpose of each reserve within equity is as follows:

| Reserve           | Description and purpose  |
|-------------------|--|
| Retained earnings | Cumulative net gains and losses from recognised earnings in the income statement |

## Newcombustion Engineering Limited

### Notes to the financial statements For the period ended 31 October 2020

#### 16. Guarantees

The Company makes use of bank facilities agreed on a JLA Acquisitions Topco group wide basis together with other companies under the control of JLA Acquisitions Topco Limited, whereby each company guarantees the borrowings of the others. The consolidated financial statements of JLA Acquisitions Topco Limited are available from Aztec Financial Services (Jersey) Limited, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

#### 17. Operating lease arrangements

At 31 October 2020 the Company had total commitments under non-cancellable other operating leases as follows:

|                       | 2020<br>£<br>Property | 2019<br>£<br>Property |
|-----------------------|-----------------------|-----------------------|
| Within 1 year         | 45,000                | 30,000                |
| Between 2 and 5 years | 63,750                | 63,750                |
|                       | <u>108,750</u>        | <u>93,750</u>         |

#### 18. Related party transactions

The Company has taken advantage of the exemption granted by FRS 102 not to disclose transactions with other wholly owned group companies.

#### 19. Ultimate parent company and parent undertaking of a larger group

The immediate parent undertaking is Vanilla Group Limited, which is incorporated in England and Wales.

The ultimate parent undertaking is JLA Acquisitions Topco Limited, a company incorporated in Jersey. The consolidated financial statements of JLA Acquisitions Topco Limited are available from Aztec Financial Services (Jersey) Limited, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

The ultimate majority shareholder is the Sixth Cinven Fund. The partnerships comprising the Sixth Cinven Fund are established in Guernsey and are managed and controlled by Cinven Capital Management (VI) General Partner Limited. Approximately 26.5% of the Sixth Cinven Funds investment is held through two Luxembourg sociétés en commandite spéciales: Sixth Cinven FD 1 Lux SCSp and Sixth Cinven FD 2 Lux SCSp (together, the "SCSp vehicles"). The SCSp vehicles are both managed by their general partner (associé commandité), Cinven Lux GP (VI) S.a.r.l.

JLA Midco Limited is the smallest Group of undertakings for which consolidated financial statements are drawn up and of which the company is a member. The consolidated financial statements of JLA Midco Limited are available from Companies House.