

COMPANY REGISTRATION NUMBER: 07276771

PENSORD TWENTY10 LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2021



PENSORD TWENTY10 LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2021

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PENSORD TWENTY10 LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr D J Coxon
Mr K Gater

Company secretary

R Best

Registered office

Pensord Tram Road
Pontllanfraith
Blackwood
NP12 2YA

Auditor

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

PENSORD TWENTY10 LIMITED

STRATEGIC REPORT

Year ended 31 December 2021

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

Review of the Business

We entered 2021 with further lockjaw measures in place in the UK and these would remain common place for much of the first half of the year and come back into place at year end.

The impacts of this continued to be widely felt across our sector with no sign of a return to face to face events: continued home working impacting circulation of B2B publications, lifestyle and community magazines and restrictions on sales outlets.

Once lockdowns were lifted in the summer of 2021 this created a surge in annual leave requests that put pressure on business due to the sheer volume of absence as people sought a break after 18 months of restrictions; increased absence through quarantine as rules changed frequently and increasing covid symptoms as people began to mix again.

In the latter half of the year further waves of infection and then the omicron variant meant that our business and other partner businesses suffered badly with peaking absence and increasing cost as we attempted to maintain productivity.

In many ways 2021 was worse than 2020 with reducing support from government and increasing anxiety in all walks of life, amongst staff, suppliers and clients, all suffering fatigue from months and months of challenging living and working conditions.

Sadly as 2021 comes to an end, restrictions are once again in place as the Omicron variant takes a grip on the UK.

Our normal patterns of managing people; performance; efficiency; delivering on expected service levels and developing our service offering were once again disrupted to simply managing throughput as best as we could given the restrictions and challenges the world faced.

The group faced financial challenges with significantly increased running costs to cover daily unplanned absence and so meeting client's needs.

In the latter part of the year increasing energy costs were impacting the supply chain and so costs to the end client were increasing rapidly as paper and other consumable costs rose.

As always we remain optimistic about the coming year, especially having successfully navigated yet another difficult period. It is hoped that an end to the pandemic in early 2022 will see a return to 'normal' demand brought about by an uplift in the economy however we are mindful that this may be tempered by ongoing price rises.

The main manufacturing unit coped well with a changing mix of work with book work now forming approximately 40% of revenue and the market returning to decent volumes towards the end of the year. The contractual work continued to be the bedrock of income but has been slower to recover for a variety of issues related to the disruption faced over the last 2 years.

Cash management continued to be the focus, ahead of P&L and we were able to return half a million pounds of CBILS unused and convert the remaining loan into an overdraft facility.

We are proud of our business and employees for the way in which we have handled two years of a pandemic and maintaining our presence as one of the UK's leading sheetfed printing businesses.

Having cut overheads significantly during the covid pan-demic we predict a return. Group Sales for the full year 2021 increased to £11,378,811 up £142k on 2020 (1.27%). A loss of £572k was reported in the year (-21% v 2020).

PENSORD TWENTY10 LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 December 2021

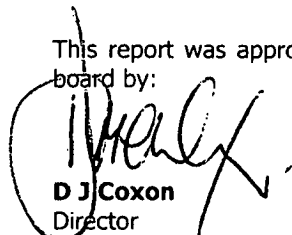
Principal risks and uncertainties

The risks and uncertainties associated with the printing industry remain unchanged from previous years, with over-capacity and margin pressure still prevalent. The Board believes it has taken the most appropriate steps to meet these challenges and, as far as possible, control the aspects of the business it can control. General instability caused by Brexit continues to be a risk to the business with a concern over the continuing weakening of the pound and the impact on materials that are source predominantly from Europe.

Financial key performance indicators

Despite reducing the size of the business in 2020 the key financial indicators remain the same - turnover, gross margin and EBITDA. Our ability to achieve the key numbers has been improved by the restructuring, with less capacity to fill and therefore cost to cover and less debt to service.

This report was approved by the board of directors on 08-11-2022 and signed on behalf of the board by:



D J Coxon
Director

PENSORD TWENTY10 LIMITED

DIRECTORS' REPORT

Year ended 31 December 2021

The directors present their report and the financial statements of the group for the year ended 31 December 2021.

Directors

The directors who served the company during the year were as follows:

Mr D J Coxon
Mr K Gater

Dividends

Particulars of recommended dividends are detailed in note 15 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

Auditor

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

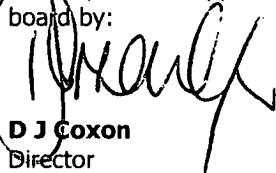
- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

PENSORD TWENTY10 LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on 08.11.2022 and signed on behalf of the board by:



D J Coxon
Director



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD
TWENTY10 LIMITED (continued)**

Year ended 31 December 2021

Opinion

We have audited the financial statements of Pensord Twenty10 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated profit and loss account, consolidated balance sheet, balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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.

Material uncertainty relating to going concern

We draw your attention to note 3 in the financial statements, which indicates a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD
TWENTY10 LIMITED** *(continued)*

Year ended 31 December 2021

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD
TWENTY10 LIMITED (continued)**

Year ended 31 December 2021

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD
TWENTY10 LIMITED (continued)**

Year ended 31 December 2021

group or the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Kilsby & Williams LLP

Simon Tee (Senior Statutory Auditor)

For and on behalf of

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

10.11.2022

PENSORD TWENTY10 LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2021

		2021	2020
	Note	£	£
TURNOVER	5	11,378,811	11,236,665
Cost of sales		(7,368,000)	(7,614,131)
GROSS PROFIT		4,010,811	3,622,534
Distribution costs		–	(2,204)
Administrative expenses		(4,545,573)	(5,550,756)
Other operating income	6	279,627	1,157,028
OPERATING LOSS	7	(255,135)	(773,398)
Other interest receivable and similar income	12	5,264	5,312
Interest payable and similar expenses	13	(199,011)	(104,686)
LOSS BEFORE TAXATION		(448,882)	(872,772)
Tax on loss	14	(123,507)	149,587
LOSS FOR THE FINANCIAL YEAR		(572,389)	(723,185)
Revaluation of tangible assets		1,151,038	591,561
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		578,649	(131,624)

All the activities of the group are from continuing operations.

The notes on pages 16 to 31 form part of these financial statements.

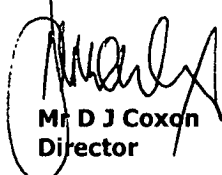
PENSORD TWENTY10 LIMITED

CONSOLIDATED BALANCE SHEET

31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	17	6,506,687	5,845,985
CURRENT ASSETS			
Stocks	19	350,249	274,743
Debtors	20	2,261,321	2,240,271
Cash at bank and in hand		14,670	106,711
		2,626,240	2,621,725
CREDITORS: amounts falling due within one year	21	(4,376,261)	(3,958,057)
NET CURRENT LIABILITIES		(1,750,021)	(1,336,332)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,756,666	4,509,653
CREDITORS: amounts falling due after more than one year	22	(3,322,865)	(3,737,937)
PROVISIONS	24	(533,989)	(410,482)
NET ASSETS		899,812	361,234
CAPITAL AND RESERVES			
Called up share capital	28	70,000	70,000
Revaluation reserve	29	1,742,599	591,561
Profit and loss account	29	(912,787)	(300,327)
SHAREHOLDERS FUNDS		899,812	361,234

These financial statements were approved by the board of directors and authorised for issue on 10.11.2022, and are signed on behalf of the board by:


Mr D J Coxon
Director

Company registration number: 07276771

The notes on pages 16 to 31 form part of these financial statements.

PENSORD TWENTY10 LIMITED

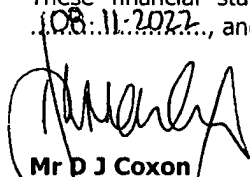
BALANCE SHEET

31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	18	4,185,353	4,185,353
CURRENT ASSETS			
Debtors	20	411,614	450,001
Cash at bank and in hand		12	12
		411,626	450,013
CREDITORS: amounts falling due within one year	21	(125)	(78,583)
NET CURRENT ASSETS		411,501	371,430
TOTAL ASSETS LESS CURRENT LIABILITIES		4,596,854	4,556,783
CREDITORS: amounts falling due after more than one year	22	(4,526,545)	(4,526,545)
NET ASSETS		70,309	30,238
CAPITAL AND RESERVES			
Called up share capital	28	70,000	70,000
Profit and loss account	29	309	(39,762)
SHAREHOLDERS FUNDS		70,309	30,238

The profit for the financial year of the parent company was £40,071 (2020: £Nil).

These financial statements were approved by the board of directors and authorised for issue on 10th November 2021, and are signed on behalf of the board by:


Mr D J Coxon
Director

Company registration number: 07276771

The notes on pages 16 to 31 form part of these financial statements.

PENSORD TWENTY10 LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
AT 1 JANUARY 2020		70,000	–	462,928	532,928
Loss for the year				(723,185)	(723,185)
Other comprehensive income for the year:					
Revaluation of tangible assets	17	–	591,561	–	591,561
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	591,561	(723,185)	(131,624)
Dividends paid and payable	15	–	–	(40,070)	(40,070)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	(40,070)	(40,070)
AT 31 DECEMBER 2020		70,000	591,561	(300,327)	361,234
Loss for the year				(572,389)	(572,389)
Other comprehensive income for the year:					
Revaluation of tangible assets	17	–	1,151,038	–	1,151,038
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	1,151,038	(572,389)	578,649
Dividends paid and payable	15	–	–	(40,071)	(40,071)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	(40,071)	(40,071)
AT 31 DECEMBER 2021		70,000	1,742,599	(912,787)	899,812

The notes on pages 16 to 31 form part of these financial statements.

PENSORD TWENTY10 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

		Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2020		70,000	309	70,309
Profit for the year			-	-
Dividends paid and payable	15	-	(40,071)	(40,071)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		-	(40,071)	(40,071)
AT 31 DECEMBER 2020		70,000	309	70,309
Profit for the year			40,071	40,071
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	40,071	40,071
Dividends paid and payable	15	-	(40,071)	(40,071)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		-	(40,071)	(40,071)
AT 31 DECEMBER 2021		70,000	309	70,309

The notes on pages 16 to 31 form part of these financial statements.

PENSORD TWENTY10 LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2021

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(572,389)	(723,185)
<i>Adjustments for:</i>		
Depreciation of tangible assets	615,047	573,510
Amortisation of intangible assets	–	105,579
Government grant income	(279,627)	(1,147,607)
Other interest receivable and similar income	(5,264)	(5,312)
Interest payable and similar expenses	199,011	104,686
Gains on disposal of tangible assets	–	(361,207)
Tax on profit	123,507	(149,587)
Accrued expenses	58,662	122,679
<i>Changes in:</i>		
Stocks	(75,506)	280,829
Trade and other debtors	(141,094)	912,718
Trade and other creditors	168,150	(617,928)
Cash generated from operations	90,497	(904,825)
Interest paid	(199,011)	(104,686)
Interest received	5,264	5,312
Tax received	79,973	95,650
Net cash used in operating activities	<u>(23,277)</u>	<u>(908,549)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(124,711)	(31,000)
Proceeds from sale of tangible assets	–	891,200
Net cash (used in)/from investing activities	<u>(124,711)</u>	<u>860,200</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	–	250,000
Repayments of borrowings	(68,659)	(50,732)
Government grant income	279,627	1,147,607
Payments of finance lease liabilities	(406,682)	(800,740)
Sales invoice financing	251,661	(407,332)
Net cash from financing activities	<u>55,947</u>	<u>138,803</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(92,041)</u>	<u>90,454</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>106,711</u>	<u>16,257</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>14,670</u>	<u>106,711</u>

The notes on pages 16 to 31 form part of these financial statements.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Pensord Tram Road, Ponttlanfraith, Blackwood, NP12 2YA.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The accounts have been prepared on a going concern basis which assumes that the group will continue to trade for the foreseeable future despite making losses in the current and previous year. The directors though continue to maintain and update all planning and forecasting tools and they consider the group to be well placed to deal with any challenges ahead.

The uncertainty of energy price increases has affected all UK businesses and presents significant challenges. The level of government support after the initial 6-months ending March 2023, is also uncertain.

The directors have prepared detailed forecasts for a period extending at least 12 months from the date of approval of these financial statements. On the basis of this review, taking into account (i) the general economic position of the sector, (ii) the wider macro-economic environment, particularly inflation and energy costs and (iii) continuing future prospects, they consider that the group will remain in a position to finance its operations and meet all financial obligations as they fall due for the foreseeable future. Post year end the groups directors have arranged a new re-financing package, to reduce committed liability payments and increase available facilities. This has been incorporated into the forecasts and will improve liquidity immediately once signed.

Given the current trading vs budget the directors believe the group is well placed to manage its business risks and working capital cash flows successfully. After reviewing the forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Therefore the directors are satisfied that the company is a going concern based on post year end trading and forecasts prepared. The financial statements have therefore been prepared on a going concern basis. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Pensord Twenty10 Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Invoice discounting facility

The company has in place an invoice discount facility based on the value of trade receivables. Under this arrangement the company has retained both the credit and late payment risk associated with the receivables. As the company has retained substantially all the risk and rewards of ownership of the receivables, it continues to recognise the receivables in the balance sheet with advances from the facility provider treated as a separate liability.

The expenses associated with this facility are included within interest payable within the profit & loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	20% straight line
Plant and machinery	-	5 to 15 years straight line
Motor vehicles	-	25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Recoverability of trade debtors

Provisions have been made for trade debtors. This provision is an estimate and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Depreciation

The company exercises judgement to determine useful lives of tangible fixed assets. These assets are amortised over their useful lives.

5. TURNOVER

Turnover arises from:

	2021	2020
	£	£
Sale of goods	11,378,811	11,236,665

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

6. OTHER OPERATING INCOME

	2021	2020
	£	£
Government grant income	279,627	1,147,607
Other operating income	—	9,421
	<u>279,627</u>	<u>1,157,028</u>

7. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Amortisation of intangible assets	—	105,579
Depreciation of tangible assets	615,047	573,510
Gains on disposal of tangible assets	—	(361,207)
Impairment of trade debtors	<u>24,996</u>	<u>122,558</u>

8. AUDITOR'S REMUNERATION

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>23,000</u>	<u>23,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>6,000</u>	<u>6,000</u>

9. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	79	81
Administrative staff	39	70
Number of other staff - desc in a/c	6	6
	<u>124</u>	<u>157</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	3,929,499	4,574,479
Social security costs	340,850	402,854
Other pension costs	145,684	155,923
	<u>4,416,033</u>	<u>5,133,256</u>

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

10. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	339,304	388,172
Company contributions to defined contribution pension plans	54,796	21,237
	<u>394,100</u>	<u>409,409</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	No.	No.
Defined contribution plans	<u>3</u>	<u>4</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	<u>143,425</u>	<u>115,087</u>

11. EXCEPTIONAL ITEMS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Exceptional expenses	-	2,139,466	-	-
Exceptional income	-	(1,861,400)	-	-
	<u>-</u>	<u>278,066</u>	<u>-</u>	<u>-</u>

Exceptional items relate to significant restructuring costs and necessary fixed asset sales.

12. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Interest on cash and cash equivalents	-	11
Other interest receivable and similar income	5,264	5,301
	<u>5,264</u>	<u>5,312</u>

13. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Interest on banks loans and overdrafts	32,883	20,061
Interest on obligations under finance leases and hire purchase contracts	142,991	60,891
Other interest payable and similar charges	23,137	23,734
	<u>199,011</u>	<u>104,686</u>

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

14. TAX ON PROFIT

Major components of tax income

	2021 £	2020 £
Current tax:		
UK current tax income	–	(79,973)
Deferred tax:		
Origination and reversal of timing differences	123,507	(69,614)
Tax on profit	<u>123,507</u>	<u>(149,587)</u>

Reconciliation of tax expense/(income)

The tax assessed on the loss on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 38%).

	2021 £	2020 £
Loss on ordinary activities before taxation	(448,882)	(872,772)
Loss on ordinary activities by rate of tax	(21,237)	(165,826)
Adjustment to tax charge in respect of prior periods	–	(78,873)
Effect of expenses not deductible for tax purposes	16,958	74,005
Effect of capital allowances and depreciation	1,976	786
Marginal relief/rate differences	128,157	20,321
Deferred tax not recognised	(2,347)	–
Tax on profit	<u>123,507</u>	<u>(149,587)</u>

15. DIVIDENDS

	2021 £	2020 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>40,071</u>	<u>40,071</u>

16. INTANGIBLE ASSETS

Group	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	<u>1,144,655</u>
Amortisation	
At 1 January 2021 and 31 December 2021	<u>1,144,655</u>
Carrying amount	
At 1 January 2021 and 31 December 2021	<u>–</u>
At 31 December 2020	<u>–</u>

The company has no intangible assets.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

17. TANGIBLE ASSETS

Group	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2021	1,905,357	6,059,110	7,964,467
Additions	25,304	99,407	124,711
Revaluations	–	295,000	295,000
At 31 December 2021	1,930,661	6,453,517	8,384,178
Depreciation			
At 1 January 2021	1,018,067	1,100,415	2,118,482
Charge for the year	12,551	602,496	615,047
Revaluations	(199,957)	(656,081)	(856,038)
At 31 December 2021	830,661	1,046,830	1,877,491
Carrying amount			
At 31 December 2021	1,100,000	5,406,687	6,506,687
At 31 December 2020	887,290	4,958,695	5,845,985

The company has no tangible assets.

The freehold property valuation was carried out on an open market basis in October 2021 by independent RICS certified valuers. The directors are in the opinion that the value of the revalued property is not materially misstated at the balance sheet date.

Plant and machinery items has been revalued at year end, by external valuers. These have been based on observable market values.

Tangible assets held at valuation

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Freehold property £	Plant and machinery £	Total £
At 31 December 2021			
Aggregate cost	1,930,661	5,083,858	7,014,519
Aggregate depreciation	(1,414,180)	(3,904,939)	(5,319,119)
Carrying value	516,481	1,178,919	1,695,400
At 31 December 2020			
Aggregate cost	1,905,357	4,984,451	6,889,808
Aggregate depreciation	(1,401,629)	(3,302,443)	(4,704,072)
Carrying value	503,728	1,682,008	2,185,736

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

17. TANGIBLE ASSETS *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £
At 31 December 2021	4,211,356
At 31 December 2020	4,219,423

18. INVESTMENTS

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 January 2021 and 31 December 2021	4,185,353
Impairment	
At 1 January 2021 and 31 December 2021	—
Carrying amount	
At 1 January 2021 and 31 December 2021	4,185,353
At 31 December 2020	4,185,353

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Pensord Holdings Limited	Tram Road Pontllanfraith Blackwood NP12 2YA	Ordinary	100
BM 203 Limited	Pensord Press, Tram Road Pontllanfraith Blackwood NP12 2YA	Ordinary	100
Pensord Press Limited	The Pensord Press Ltd Pontllanfraith Blackwood NP12 2YA	Ordinary	100

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

18. INVESTMENTS *(continued)*

	Registered office	Class of share	Percentage of shares held
Cambrian Printers Limited	C/O Pensord Press Tram Road Pontllanfraith Blackwood NP12 2YA	Ordinary	100

19. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Stock	<u>350,249</u>	<u>274,743</u>	<u>-</u>	<u>-</u>

20. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,543,745	1,386,336	-	-
Amounts owed by group undertakings	-	-	411,614	411,614
Deferred tax asset	219,798	219,798	-	-
Prepayments and accrued income	125,824	186,659	-	-
Corporation tax repayable	66	79,973	-	-
Directors loan account	184,975	219,809	-	-
Other debtors	<u>186,913</u>	<u>147,696</u>	<u>-</u>	<u>38,387</u>
	<u>2,261,321</u>	<u>2,240,271</u>	<u>411,614</u>	<u>450,001</u>

21. CREDITORS: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	78,650	73,728	-	-
Trade creditors	1,671,811	1,487,702	-	-
Accruals and deferred income	430,278	371,616	125	125
Social security and other taxes	112,501	103,587	-	-
Obligations under finance leases and hire purchase contracts	898,395	963,586	-	-
Director loan accounts	-	-	-	78,458
Sales financing	708,617	538,896	-	-
Other creditors	<u>476,009</u>	<u>418,942</u>	<u>-</u>	<u>-</u>
	<u>4,376,261</u>	<u>3,958,057</u>	<u>125</u>	<u>78,583</u>

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

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

22. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	619,704	693,285	–	–
Amounts owed to group undertakings	–	–	4,526,545	4,526,545
Obligations under finance leases and hire purchase contracts	2,703,161	3,044,652	–	–
	<u>3,322,865</u>	<u>3,737,937</u>	<u>4,526,545</u>	<u>4,526,545</u>

The bank loans are secured by fixed and floating charges over all property, assets and rights of the Company. The Company and other companies forming part of the Group headed by Pensord Twenty10 Limited have cross-guaranteed the bank borrowings of each other.

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

The bankers of the subsidiary undertakings, Pensord Press Limited and Cambrian Printers Limited, hold fixed and floating charges over the assets of those companies.

23. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	898,395	963,586	–	–
Later than 1 year and not later than 5 years	2,703,161	2,777,409	–	–
Later than 5 years	–	267,243	–	–
	<u>3,601,556</u>	<u>4,008,238</u>	<u>–</u>	<u>–</u>

24. PROVISIONS

Group	Deferred tax (note 25) £
At 1 January 2021	410,482
Additions	123,507
At 31 December 2021	<u>533,989</u>

The company does not have any provisions.

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

25. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in debtors (note 20)	219,798	219,798	-	-
Included in provisions (note 24)	(533,989)	(410,482)	-	-
	<u>(314,191)</u>	<u>(190,684)</u>	<u>-</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	(641,758)	(484,129)	-	-
Unused tax losses	313,584	389,259	-	-
Deferred tax - other timing differences	13,983	(95,814)	-	-
Deferred tax - asset not provided	-	7,888	-	-
Deferred tax not recognised	-	(7,888)	-	-
	<u>(314,191)</u>	<u>(190,684)</u>	<u>-</u>	<u>-</u>

26. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £145,684 (2020: £155,923).

27. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>279,627</u>	<u>1,147,607</u>	<u>-</u>	<u>-</u>

28. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

29. RESERVES

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

30. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	106,711	(92,041)	14,670
Debt due within one year	(1,037,314)	60,269	(977,045)
Debt due after one year	(3,737,937)	415,072	(3,322,865)
	<u>(4,668,540)</u>	<u>383,300</u>	<u>(4,285,240)</u>

31. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	37,645	43,356	-	-
Later than 1 year and not later than 5 years	37,803	36,227	-	-
Later than 5 years	-	13,577	-	-
	<u>75,448</u>	<u>93,160</u>	<u>-</u>	<u>-</u>

32. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr D J Coxon	206,167	4,817	(22,441)	188,543
Mr K Gater	13,641	421	(17,630)	(3,568)
	<u>219,808</u>	<u>5,238</u>	<u>(40,071)</u>	<u>184,975</u>

PENSORD TWENTY10 LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

33. RELATED PARTY TRANSACTIONS

Company

The company has taken advantage of the exemption, in accordance with paragraph 33.1A of FRS 102, from not disclosing transactions with other wholly owned group companies.

34. CONTROLLING PARTY

The ultimate controlling party is D Coxon by virtue of his majority shareholding in Pensord Twenty10 Limited.