

**COMPANY REGISTRATION NUMBER: 07276771**

**PENSORD TWENTY10 LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**



# **PENSORD TWENTY10 LIMITED**

## **FINANCIAL STATEMENTS**

**Year ended 31 December 2020**

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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  
Häzell Drive  
Newport  
NP10 8FY

# **PENSORD TWENTY10 LIMITED**

## **STRATEGIC REPORT**

### **Year ended 31 December 2020**

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

#### **Review of the Business**

2021 started like any other recent year and turned into a year like never before.

Trading for January and February were typical with January slow to start and then picking up to deliver a decent February. The first trading days of March were spent busy planning event related material and bumper issues and then suddenly we were convening an extraordinary board meeting and planning our way through a global crisis.

The rest is history and 2020 will go down as the year of the Covid-19 Pandemic and we went from being team of managers/owners of a print business to being a permanent crisis management team.

At Pensord work dropped to around 50% of predicted normal volumes virtually overnight and this would remain unchanged with the exception of an improvement around September/October. At Cambrian work dropped to around 15% of predicted normal volumes virtually overnight and this meant that the entire plant was furloughed from the end of March with the exception of some customer facing staff.

The prolonged nature of the pandemic meant that we had to restructure the groups manufacturing units to survive the pandemic for however long it would last for.

In September the manufacturing unit at Cambrian was relocated to South Wales and the manufacturing premises in Aberystwyth were vacated by November. These premises were leased and the lease was ended through discussion with the site owners.

Customer facing staff were retained and an office space leased in Aberystwyth for the team to work in once the pandemic was over. Redundancies however were inevitable and following a consultation under TUPE law a number of redundancies were made as a result of the relocation of the manufacturing unit.

Work levels remained significantly lower than pre-covid levels but was now all being produced in South Wales with much reduced overheads associated with running one plant rather than two.

During the year the plant in South Wales was expanded through investment and relocation of equipment so that it was able to handle the post covid levels of work on one site. Investment was in the shape of additional printing capacity with a B1 KBA 10 colour long perfecting press and a new Xerox digital printing press. Relocated equipment expanded bindery capacity with a second PUR binding line and thread sewing moving from Aberystwyth.

CBIL's funding support from our bank was achieved however we were able to fund the transactions over the year through available cash and not draw down on this facility.

At the close of the year we looked to 2021 with as much hope as expectation with so much uncertainty surrounding the pandemic and the global economy and the specific recovery of our sector. However, we did this safe in the knowledge that we had taken the appropriate measures across group in order protect ourselves against prolonged pandemic related impacts.

At the end of the year all creditors were up to date and cash remained positive despite this restructure.

#### **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

# **PENSORD TWENTY10 LIMITED**

## **STRATEGIC REPORT** *(continued)*

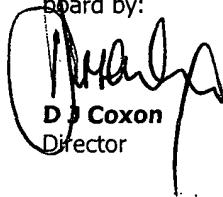
**Year ended 31 December 2020**

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 29.09.2021 and signed on behalf of the board by:



**D J Coxon**  
Director

# **PENSORD TWENTY10 LIMITED**

## **DIRECTORS' REPORT**

### **Year ended 31 December 2020**

The directors present their report and the financial statements of the group for the year ended 31 December 2020.

#### **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 12 to the financial statements.

#### **Events after the end of the reporting period**

Particulars of events after the reporting date are detailed in note 30 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:

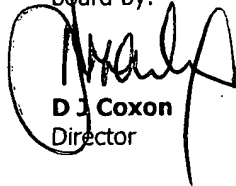
- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's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

# **PENSORD TWENTY10 LIMITED**

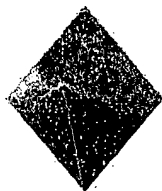
## **DIRECTORS' REPORT** *(continued)*

**Year ended 31 December 2020**

This report was approved by the board of directors on 29.09.2021 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**

**Year ended 31 December 2020**

### **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 2020 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 2020 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.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.





**KILSBY  
WILLIAMS**  
Chartered Accountants

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

**Year ended 31 December 2020**

**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 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.



**KILSBY  
WILLIAMS**  
Chartered Accountants

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

**Year ended 31 December 2020**

**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. 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



**KILSBY  
WILLIAMS**  
Chartered Accountants

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

**Year ended 31 December 2020**

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 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.



**KILSBY  
WILLIAMS**  
Chartered Accountants

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

**Year ended 31 December 2020**

**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.

**Simon Tee (Senior Statutory Auditor)**

**For and on behalf of:  
Kilsby & Williams LLP  
Chartered Accountants & statutory auditor  
Cedar House  
Hazell Drive  
Newport  
NP10 8FY**

*Kilsby & Williams LLP*

*30<sup>th</sup> September 2021*

**PENSORD TWENTY10 LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>TURNOVER</b>	<b>5</b>	11,236,665	15,450,532
Cost of sales		(7,614,131)	(11,271,179)
<b>GROSS PROFIT</b>		<u>3,622,534</u>	<u>4,179,353</u>
Distribution costs		(2,204)	(709,681)
Administrative expenses		(5,550,756)	(3,696,953)
Other operating income		<u>1,157,028</u>	<u>150,000</u>
<b>OPERATING LOSS</b>	<b>6</b>	<u>(773,398)</u>	<u>(77,281)</u>
Other interest receivable and similar income		5,312	56,245
Interest payable and similar expenses		<u>(104,686)</u>	<u>(148,545)</u>
<b>LOSS BEFORE TAXATION</b>		<u>(872,772)</u>	<u>(169,581)</u>
Tax on loss	<b>11</b>	<u>149,587</u>	<u>82,524</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(723,185)</u>	<u>(87,057)</u>
Revaluation of tangible assets		591,561	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(131,624)</u>	<u>(87,057)</u>

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 2020

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Intangible assets	13	–	67,579
Tangible assets	14	5,845,985	5,116,017
		<u>5,845,985</u>	<u>5,183,596</u>
<b>CURRENT ASSETS</b>			
Stocks	16	274,743	555,572
Debtors	17	2,240,271	2,983,973
Cash at bank and in hand		106,711	289,122
		<u>2,621,725</u>	<u>3,828,667</u>
<b>CREDITORS: amounts falling due within one year</b>	19	(3,958,057)	(5,283,862)
<b>NET CURRENT LIABILITIES</b>		<u>(1,336,332)</u>	<u>(1,455,195)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,509,653	3,728,401
<b>CREDITORS: amounts falling due after more than one year</b>	20	(3,737,937)	(2,935,175)
<b>PROVISIONS</b>	22	(410,482)	(260,298)
<b>NET ASSETS</b>		<u>361,234</u>	<u>532,928</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	70,000	70,000
Revaluation reserve	27	591,561	–
Profit and loss account	27	(300,327)	462,928
<b>SHAREHOLDERS FUNDS</b>		<u>361,234</u>	<u>532,928</u>

These financial statements were approved by the board of directors and authorised for issue on 29.09.2021 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

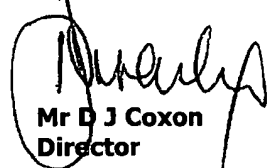
## BALANCE SHEET

31 December 2020

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Investments	15	4,185,353	4,147,353
<b>CURRENT ASSETS</b>			
Debtors	17	450,001	411,614
Cash at bank and in hand		12	20,006
		450,013	431,620
<b>CREDITORS: amounts falling due within one year</b>	19	(78,583)	(125)
<b>NET CURRENT ASSETS</b>		371,430	431,495
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,556,783	4,578,848
<b>CREDITORS: amounts falling due after more than one year</b>	20	(4,526,545)	(4,508,539)
<b>NET ASSETS</b>		30,238	70,309
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	70,000	70,000
Profit and loss account	27	(39,762)	309
<b>SHAREHOLDERS FUNDS</b>		30,238	70,309

The profit for the financial year of the parent company was £Nil (2019: £6).

These financial statements were approved by the board of directors and authorised for issue on 29.09.2021 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 2020

	Note	Called up share capital £	Revaluatio n reserve £	Profit and loss account £	Total
<b>AT 1 JANUARY 2019</b>		70,000	–	549,985	619,985
Loss for the year				(87,057)	(87,057)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		–	–	(87,057)	(87,057)
<b>AT 31 DECEMBER 2019</b>		70,000	–	462,928	532,928
Loss for the year				(723,185)	(723,185)
Other comprehensive income for the year:					
Revaluation of tangible assets	<b>14</b>	–	591,561	–	591,561
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		–	591,561	(723,185)	(131,624)
Dividends paid and payable	<b>12</b>	–	–	(40,070)	(40,070)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		–	–	(40,070)	(40,070)
<b>AT 31 DECEMBER 2020</b>		<u>70,000</u>	<u>591,561</u>	<u>(300,327)</u>	<u>361,234</u>

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



**PENSORD TWENTY10 LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**

**Year ended 31 December 2020**

	Note	2020 £	2019 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the financial year		(723,185)	(87,057)
<i>Adjustments for:</i>			
Depreciation of tangible assets		573,510	1,003,646
Amortisation of intangible assets		105,579	136,577
Government grant income		(1,147,607)	-
Other interest receivable and similar income		(5,312)	(56,245)
Interest payable and similar expenses		104,686	145,816
Gains on disposal of tangible assets		(361,207)	(43,489)
Tax on profit		(149,587)	(82,524)
Accrued expenses		122,679	248,812
<i>Changes in:</i>			
Stocks		280,829	2,798
Trade and other debtors		912,718	(85,951)
Trade and other creditors		(617,928)	(1,113,256)
Cash generated from operations		(904,825)	69,127
Interest paid		(104,686)	(88,838)
Interest received		5,312	56,245
Tax received		95,650	-
Net cash (used in)/from operating activities		<u>(908,549)</u>	<u>36,534</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible assets		(31,000)	(222,145)
Proceeds from sale of tangible assets		891,200	1,631,500
Net cash from investing activities		<u>860,200</u>	<u>1,409,355</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		250,000	-
Repayments of borrowings		(50,732)	(39,666)
Government grant income		1,147,607	-
Payments of finance lease liabilities		(800,740)	(1,189,934)
Interest paid		-	(59,176)
Sales invoice financing		(407,332)	(215,239)
Net cash from/(used in) financing activities		<u>138,803</u>	<u>(1,504,015)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		90,454	(58,126)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		16,257	74,383
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	18	<u>106,711</u>	<u>16,257</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 2020**

### **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, Pontllanfraith, 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**

It is acknowledged that there remains a degree of uncertainty and the coronavirus can potentially impact operations. The Directors have undertaken planning and forecasting and will continue to closely monitor the developing situation. However, given that the company has successfully negotiated the recent months of restrictions they consider that it is well placed to deal with the challenges ahead.

The directors have reviewed 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) recent developments with regard to COVID19, (iii) the significant overhead saving introduced during FY20 of C. £2.5m and (iv) continuing future prospects, they consider that the company will remain profitable and be in a position to finance its operations and meet its financial obligations as they fall due for the foreseeable future. Furthermore, the company has available to it over £750k in unused CBILS facilities as a consequence of trading materially ahead of forecasts prepared at the start of Covid.

As a consequence, the directors believe that the company is well place 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 company has adequate resources to continue in operational existence for the foreseeable future. The going concern basis therefore continues to be adopted in preparing the financial statements.

#### **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.

# **PENSORD TWENTY10 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2020**

### **3. ACCOUNTING POLICIES** *(continued)*

#### **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.

#### **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.

# **PENSORD TWENTY10 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2020**

### **3. ACCOUNTING POLICIES** *(continued)*

#### **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

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 2020**

### **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 2020**

### **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 2020**

### **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. Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

#### **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:

(Enter detail of the nature of the assumption or other key source of estimation uncertainty as well as the carrying amount as at the end of the reporting period.)

#### **Key sources of estimation uncertainty**

##### **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.

# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 5. TURNOVER

Turnover arises from:

	2020	2019
	£	£
Sale of goods	<u>11,236,665</u>	<u>15,450,532</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2020	2019
	£	£
United Kingdom	11,236,665	15,430,443
Overseas	<u>-</u>	<u>20,089</u>
	<u>11,236,665</u>	<u>15,450,532</u>

### 6. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Amortisation of intangible assets	105,579	136,577
Depreciation of tangible assets	573,510	1,003,646
(Gains)/loss on disposal of tangible assets	(361,207)	13,489
Impairment of trade debtors	<u>122,558</u>	<u>79,590</u>

### 7. AUDITOR'S REMUNERATION

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>23,000</u>	<u>31,500</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>6,000</u>	<u>8,850</u>

### 8. STAFF COSTS

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

	2020	2019
	No.	No.
Production staff	81	137
Administrative staff	70	36
Number of other staff - desc in a/c	<u>6</u>	<u>7</u>
	<u>157</u>	<u>180</u>



# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 8. STAFF COSTS *(continued)*

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

	2020	2019
	£	£
Wages and salaries	4,574,479	5,067,229
Social security costs	402,854	477,406
Other pension costs	155,923	163,266
	<u>5,133,256</u>	<u>5,707,901</u>

### 9. DIRECTORS' REMUNERATION

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

	2020	2019
	£	£
Remuneration	388,172	351,117
Company contributions to defined contribution pension plans	21,237	23,423
	<u>409,409</u>	<u>374,540</u>

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

	2020	2019
	No.	No.
Defined contribution plans	<u>4</u>	<u>5</u>

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

	2020	2019
	£	£
Aggregate remuneration	<u>115,087</u>	<u>93,307</u>

### 10. EXCEPTIONAL ITEMS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Exceptional expenses	2,139,466	4,238	-	-
Exceptional income	(1,861,400)	-	-	-
	<u>278,066</u>	<u>4,238</u>	<u>-</u>	<u>-</u>

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

### 11. TAX ON PROFIT

#### Major components of tax income

	2020	2019
	£	£
<b>Current tax:</b>		
UK current tax income	(79,973)	-

# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 11. TAX ON PROFIT *(continued)*

	2020 £	2019 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(69,614)	(82,524)
<b>Tax on profit</b>	<u>(149,587)</u>	<u>(82,524)</u>

#### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 38% (2019: 19%).

	2020 £	2019 £
Loss on ordinary activities before taxation	(872,772)	(169,581)
Loss on ordinary activities by rate of tax	(165,826)	(32,222)
Adjustment to tax charge in respect of prior periods	(78,873)	-
Effect of expenses not deductible for tax purposes	74,005	2,736
Effect of capital allowances and depreciation	786	30,896
Effect of different UK tax rates on some earnings	-	457
Adjustment to tax in respect of prior periods	-	(68,541)
Non-taxable income less expenses not deductible for tax purposes	-	(9,261)
Marginal relief/rate differences	20,321	-
Deferred tax not recognised	-	(6,589)
<b>Tax on profit</b>	<u>(149,587)</u>	<u>(82,524)</u>

### 12. DIVIDENDS

	2020 £	2019 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>80,141</u>	<u>-</u>

# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 13. INTANGIBLE ASSETS

Group	Goodwill £
<b>Cost</b>	
At 1 January 2020	1,106,655
Acquisitions through business combinations	38,000
<b>At 31 December 2020</b>	<b>1,144,655</b>
<b>Amortisation</b>	
At 1 January 2020	1,039,076
Charge for the year	105,579
<b>At 31 December 2020</b>	<b>1,144,655</b>
<b>Carrying amount</b>	
<b>At 31 December 2020</b>	<b>-</b>
At 31 December 2019	67,579

The company has no intangible assets.

### 14. TANGIBLE ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2020	1,905,357	12,234,816	4,650	14,144,823
Additions	-	1,240,850	-	1,240,850
Disposals	-	(7,416,556)	(4,650)	(7,421,206)
<b>At 31 December 2020</b>	<b>1,905,357</b>	<b>6,059,110</b>	<b>-</b>	<b>7,964,467</b>
<b>Depreciation</b>				
At 1 January 2020	1,255,114	7,802,174	3,488	9,060,776
Charge for the year	4,514	567,833	1,163	573,510
Disposals	-	(6,919,592)	(4,651)	(6,924,243)
Revaluations	(241,561)	(350,000)	-	(591,561)
<b>At 31 December 2020</b>	<b>1,018,067</b>	<b>1,100,415</b>	<b>-</b>	<b>2,118,482</b>
<b>Carrying amount</b>				
<b>At 31 December 2020</b>	<b>887,290</b>	<b>4,958,695</b>	<b>-</b>	<b>5,845,985</b>
At 31 December 2019	650,243	4,432,642	1,162	5,084,047

The company has no tangible assets.

The freehold property valuation was carried out on an open market basis in 2018 by an independent RICS registered valuer. The directors are in the opinion that the value of the revalued property is not materially misstated at the balance sheet date. An item of plant and machinery has been revalued by the directors in the year, to its market value.

# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 14. 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 2020	4,219,423
At 31 December 2019	3,345,412

### 15. INVESTMENTS

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 January 2020	4,147,353
Additions	38,000
At 31 December 2020	4,185,353
Impairment	
At 1 January 2020 and 31 December 2020	-
Carrying amount	
At 31 December 2020	4,185,353
At 31 December 2019	4,147,353

#### 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 2020

### 15. 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

### 16. STOCKS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Stock	<u>274,743</u>	<u>555,572</u>	<u>-</u>	<u>-</u>

### 17. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	1,386,336	2,313,004	-	-
Amounts owed by group undertakings	-	-	411,614	411,614
Deferred tax asset	219,798	-	-	-
Prepayments and accrued income	186,659	113,312	-	-
Corporation tax repayable	79,973	95,650	-	-
Directors loan account	219,809	293,029	-	-
Other debtors	<u>147,696</u>	<u>168,978</u>	<u>38,387</u>	<u>-</u>
	<u>2,240,271</u>	<u>2,983,973</u>	<u>450,001</u>	<u>411,614</u>

### 18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2020	2019
	£	£
Cash at bank and in hand	106,711	289,122
Bank overdrafts	-	(272,865)
	<u>106,711</u>	<u>16,257</u>

# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

### 19. CREDITORS: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	73,728	312,532	-	-
Trade creditors	1,487,702	2,369,364	-	-
Accruals and deferred income	371,616	248,937	125	125
Social security and other taxes	103,587	109,788	-	-
Obligations under finance leases and hire purchase contracts	963,586	893,988	-	-
Director loan accounts	-	-	78,458	-
Sales financing	538,896	1,213,495	-	-
Other creditors	418,942	135,758	-	-
	<u>3,958,057</u>	<u>5,283,862</u>	<u>78,583</u>	<u>125</u>

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

### 20. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	693,285	505,750	-	-
Amounts owed to group undertakings	-	-	4,526,545	4,508,539
Obligations under finance leases and hire purchase contracts	3,044,652	2,429,425	-	-
	<u>3,737,937</u>	<u>2,935,175</u>	<u>4,526,545</u>	<u>4,508,539</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.

### 21. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	963,586	893,988	-	-
Later than 1 year and not later than 5 years	2,777,409	2,429,425	-	-
Later than 5 years	267,243	-	-	-
	<u>4,008,238</u>	<u>3,323,413</u>	<u>-</u>	<u>-</u>

# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 22. PROVISIONS

Group	Deferred tax (note 23) £
At 1 January 2020	260,298
Additions	150,184
<b>At 31 December 2020</b>	<b><u>410,482</u></b>

The company does not have any provisions.

### 23. DEFERRED TAX

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in debtors (note 17)	219,798	–	–	–
Included in provisions (note 22)	(410,482)	(260,298)	–	–
	<u>(190,684)</u>	<u>(260,298)</u>	<u>–</u>	<u>–</u>

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	(484,129)	(288,039)	–	–
Unused tax losses	389,259	–	–	–
Deferred tax - other timing differences	(95,814)	–	–	–
Deferred tax - asset not provided	7,888	27,741	–	–
Deferred tax not recognised	(7,888)	–	–	–
	<u>(190,684)</u>	<u>(260,298)</u>	<u>–</u>	<u>–</u>

### 24. EMPLOYEE BENEFITS

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £155,923 (2019: £163,266).

### 25. GOVERNMENT GRANTS

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>1,147,607</u>	<u>2,780</u>	<u>–</u>	<u>–</u>

# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 26. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>

### 27. 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.

### 28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2020	Cash flows	At 31 Dec 2020
	£	£	£
Cash at bank and in hand	289,122	(182,411)	106,711
Bank overdrafts	(272,865)	272,865	-
Debt due within one year	(933,655)	(103,659)	(1,037,314)
Debt due after one year	<u>(2,935,175)</u>	<u>(802,762)</u>	<u>(3,737,937)</u>
	<u>(3,852,573)</u>	<u>(815,967)</u>	<u>(4,668,540)</u>

### 29. OPERATING LEASES

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	43,356	234,814	-	-
Later than 1 year and not later than 5 years	36,227	598,715	-	-
Later than 5 years	<u>13,577</u>	<u>314,751</u>	<u>-</u>	<u>-</u>
	<u>93,160</u>	<u>1,148,280</u>	<u>-</u>	<u>-</u>

### 30. EVENTS AFTER THE END OF THE REPORTING PERIOD

During the period and post year end economies and financial markets around the world continue to experience financial falls arising from uncertainties linked to the COVID-19 pandemic. There is currently no material impact to the company and this is a non-adjusting event. The future impact of the pandemic on the company is being quantified and managed by the directors.



# PENSORD TWENTY10 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

### 31. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr D J Coxon	257,769	4,607	(56,209)	206,167
Mr K Gater	35,260	630	(22,249)	13,641
	<u>293,029</u>	<u>5,237</u>	<u>(78,458)</u>	<u>219,808</u>

### 32. RELATED PARTY TRANSACTIONS

#### Company

In accordance with exemptions offered by FRS 102 section 33, the Company has not disclosed within these financial statements any transactions with entities that are wholly owned subsidiaries of Pensord Twenty10 Limited.

### 33. CONTROLLING PARTY

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