

Registered number: 08659981

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**PEMBERSTONE VENTURES LIMITED**

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**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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**PEMBERSTONE VENTURES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A M Barker M A Anslow M A Reynolds D J Moore D A Williams (appointed 1 January 2020)
<b>Company secretary</b>	The Whittington Partnership LLP
<b>Registered number</b>	08659981
<b>Registered office</b>	Whittington Hall Whittington Road Worcester WR5 2ZX
<b>Independent auditors</b>	Hurst Accountants Limited Chartered Accountants and Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Lancashire SK1 1TD

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**PEMBERSTONE VENTURES LIMITED**

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## PEMBERSTONE VENTURES LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Introduction

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

#### Business review

The Group's principal activities during the year continued to include manufacturing and distribution across a broad range of sectors and industries.

The Group has continued to develop its subsidiaries throughout the year with focussed investment being directed towards improving long-term sustainable profits and cash generation.

During the year the Group disposed of its interest in The Real Georgian Bar Company Limited, realising a profit on disposal of £1,433k. The directors therefore consider this to be a discontinued operation and the results of the Georgian Bar group of companies are separately disclosed in the Consolidated Statement of Comprehensive Income, with the prior year restated accordingly. Further details are included in note 27 of the financial statements.

The Group intends to continue with its current business strategy for the foreseeable future. Further specific details of future developments are included in the Directors' Report.

The full results for the year are set out in the Consolidated Statement of Comprehensive Income on pages 15 - 16.

In March 2020, the COVID-19 outbreak was classed as a global pandemic, and on 23 March 2020, the Prime Minister of the UK ordered that the country be placed into a "lockdown" whereby all nonessential workplaces, had to close. The directors immediately took actions to safeguard the business of the Group's subsidiary undertakings, including the utilisation of the government's furlough scheme, increased focus on short-term rolling cash flow forecasting and diligent working capital management around stock, debtors and creditors in light of the challenges the business faced.

Following the initial relaxation of lockdown restrictions from June 2020 trade began to improve; sustainably so through subsequent lockdown periods in November 2020 and January 2021.

The directors have prepared these accounts on the fundamental assumption that the Group is a going concern.

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## PEMBERSTONE VENTURES LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Principal risks and uncertainties

The principal risks and uncertainties facing the Group are broadly grouped as set out below.

##### Competitive risk

The Group is faced with normal competitive risks associated with UK, European and worldwide operations. Each company in the group holds a strong niche position in its own market place and competes with a variety of different competitors. Each company monitors the forward flow of business opportunities and the activities of key competitors so as to adjust operational tactics and strategy accordingly.

##### Legislative and compliance risk

The Group seeks to ensure that its operations at all times comply with the latest legislative requirements across all aspects of each business. Furthermore, each company ensures that it maintains compliance with all customer requirements so as to ensure successful long term customer relationships.

##### Technological risk

The Group aims to constantly monitor the technical qualities of its products to ensure they meet or exceed the latest industry standards for each applicable sector. Research and development investment is considered vital to ensuring the future competitiveness of each company's products and the security of future cash flows.

##### Liquidity risk

Each company controls its own working capital cycle requirements through the use of effective working capital management in addition to the provision of funding from commercial banks (overdrafts, short term loans and invoice discounting), the Group and other associated entities. Risk is mitigated by the use of regular cash flow forecasting to monitor compliance with lending covenants and ensure the efficient recycling of working capital.

##### Financial instrument risk

Certain companies use derivatives to manage the risk of volatility associated with the sale and purchase of foreign currencies and certain raw materials. The instruments used include foreign exchange and material forward purchase contracts which seek to limit the risk of material conversion differences on a rolling monthly forward basis and are used to provide protection for a portion of total currency or material purchase price risks. Hedge accounting is used where certain criteria are met as explained in the accounting policies notes on page 33.

##### Covid-19

In March 2020, the COVID-19 outbreak was classed as a global pandemic, and on 23 March 2020, the Prime Minister of the UK ordered that the country be placed into a "lockdown" whereby all nonessential workplaces, had to close. The directors immediately took actions to safeguard the business of the Company's subsidiary undertakings, including the utilisation of the government's furlough scheme, increased focus on short-term rolling cash flow forecasting and diligent working capital management around stock, debtors and creditors in light of the challenges the business faced.

Following the initial relaxation of lockdown restrictions from June 2020 trade began to improve; sustainably so through subsequent lockdown periods in November 2020 and January 2021.

The directors are satisfied that the business remains resilient and through actions taken to date has adapted to the current economic climate. The directors have reviewed the cash flow forecasts for the Pemberstone Ventures group of companies and, having reviewed the cash requirements the business may have during the period of 12 months from the signing of the financial statements, are satisfied that the Group will continue to be able to pay its debts as they fall due.

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PEMBERSTONE VENTURES LIMITED

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GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**Key performance indicators**

The key financial and other performance indicators during the year were as set out below.

	2020 £'000	2019 £'000	Change £'000	Change %
<b>Financial key performance indicators (continuing operations)</b>				
Turnover	45,752	53,615	(7,863)	(15)
Operating profit	1,870	3,695	(1,825)	(49)
EBITDA	3,760	5,365	(1,605)	(30)
Cash & cash equivalents	3,501	1,236	2,265	183
<b>Non-financial key performance indicators</b>				
Employee numbers	426	436	(10)	(2)

Turnover from continuing operations for the Group decreased by 15% during the year to £45,752k (2019 - £53,615k), with the impact of Covid-19 a significant factor in this reduction. Q2 2020 was most significantly impacted, with a slow recovery notable over the course of Q3 and further stability into Q4 in terms of trade volume.

Notable movements in revenue were apparent in respect of:

Harman Technology Limited (a £4,154k decrease in year on year revenue largely attributable to Covid-19 and more specifically the closure of educational establishments, most notably in the USA);

Synhotec Group Limited (a £1,057k decrease in year on year revenue as automotive manufacturers reduced production schedules in response to the global pandemic);

Loughborough Projects Limited (a £1,362k decrease in year on year revenue as plant manufacturers reduced production schedules in response to the global pandemic); and

Talisman Plastics Limited (a £916k decrease in year on year revenue, relatively evenly allocated over its operating divisions as customers scaled down their own operations in response to the global pandemic).

Whilst turnover shows a downward trend year on year, across the Group recovery was evident starting in Q3 and in particular into Q4.

Operating profit from continuing operations decreased by 49% to £1,870k (2019 - £3,695k), significantly the result of the impact of Covid-19 on volumes and customer markets. In addition, increased amortisation of £748k (2019 - £507k) was charged to the Consolidated Statement of Comprehensive Income, attributable to negative goodwill being fully amortised during 2019.

Profit before tax from continuing operations for the Group decreased by 54% to £1,345k (2019 - £2,894k) primarily for the reasons stated above.

A net credit to the Consolidated Statement of Comprehensive Income of £65k (2019 - £169k) comprises gains of £96k (2019 - £111k loss) on consolidation of overseas entities (principally Synhotec Slovakia s.r.o.) and losses on hedging reserves in respect of FX contracts of £31k (2019 - £280k gain) arising in Harman Technology Limited and Maxim Industries Limited.

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**PEMBERSTONE VENTURES LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Directors' statement of compliance with duty to promote the success of the Group**

The Companies Act 2006 section 172 requires the directors to act in a way that they consider, in good faith, promotes the success of the Group for the benefits of its members as a whole. As detailed in the Business Review, the directors focus on investment, including in its employees, directed towards improving long-term sustainable profits and cash generation. Employee involvement, as detailed in the Directors' Report, is actively encouraged. Environmental initiatives and striving to minimise wastage is actively encouraged at all levels of the Group. Regular communication and key account management is practiced across the Group for customers and suppliers alike, incorporating collaborative working, process improvement and regular site visits both in the UK and overseas to maintain a current awareness and knowledge of the wider impact of the Group's business.

This report was approved by the board on 23 Sep 2021

and signed on its behalf.

*Mark Anslow*

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**M A Anslow** (23 Sep 2021, 6:31pm)

**For and on behalf of  
The Whittington Partnership LLP  
Secretary**

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## PEMBERSTONE VENTURES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation and minority interests, amounted to £2,837,785 (2019 - £2,869,715).

Ordinary dividends of £1,000,451 (2019 - £1,557,229) were paid during the year to shareholders of the parent company.

The directors do not recommend the payment of a final dividend.

#### Directors

The directors who served during the year were:

A M Barker  
M A Anslow  
D C Annetts (resigned 1 July 2020)  
M A Reynolds  
D J Moore  
D A Williams (appointed 1 January 2020)



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## PEMBERSTONE VENTURES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Future developments

The key areas of future development across the Group are as set out below.

##### Secura Labels Limited

The Company has continued to invest in modernised machine capability, providing both digital and analogue offerings to enhance its quality, efficiency and service levels as part of its ongoing drive to exceed customer expectations.

##### The Georgian Bar Company Limited

During the year the Group disposed of its interest in The Real Georgian Bar Company Limited and its subsidiary undertaking. Further details are included in note 27 of the financial statements.

##### Synthotec Group Limited

The Company aims to maintain its strategy of developing new products for its existing customer base and new customers. Recent successes in growing the pipeline of new tooling orders has resulted in a strong order book and the Company is expected to increase its revenues and profits in the forthcoming year in both the UK and its expanded Slovakian factory.

##### Talisman Plastics Limited

The Company aims to maintain its strategy of developing new products for its existing customer base and new customers. The Company has invested in new plant and machinery and continues to strengthen its management team as part of its growth plans for the forthcoming year.

##### Maxim Industries Limited

The Company continues to focus its activities on higher margin opportunities as well as looking to expand and diversify its customer base.

##### Ingenious Locks and Hardware Limited

The Company continues to grow market share with the development of a quality core product range for the window and door hardware market.

##### Intellitect Water Limited

The Company continues to enhance and deploy a water quality management solution enabling real time, network wide quality and flow management capability to customers on a worldwide basis. Work is continuing with major water companies to prove the system capability and thereby deliver a commercial solution in 2021 through 2022.

##### Harman Technology Limited

The Company is actively developing its core infrastructure through investment in personnel and technologies in order to take advantage of the strength of the core Ilford brand. Additional product lines are being investigated around the core skill set of silver chemistry and are detailed in Research and Development activities below.

##### Loughborough Projects Limited

The Company continues to invest in infrastructure and personnel to service its key customers with a core product range. The Company aims to expand its core product range to both new and existing customers.

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## PEMBERSTONE VENTURES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Pemberstone Developments Limited

The Company has previously wound down its remaining operations following the sale of its development stock and did not trade during the current year.

#### **Research and development activities**

The Group carries out research and development in a number of its subsidiaries as set out below.

#### Intellitect Water Limited

The Company continues to improve and develop its "in-pipe" water measuring equipment (the Intellisonde) and network data and management systems in order to enable water companies worldwide to achieve network wide remote water quality management solutions.

#### Harman Technology Limited

The Company has continued to invest in research and development with projects researched in areas such as raw materials and substrate coatings for printed electronics. All of these projects are based on the core strength within the business with regards to silver chemistry. The directors regard these projects as important in reducing the long term reliance on the traditional core photographic business.

#### The Georgian Bar Company Limited

Prior to disposal, the Company continued to develop its products to comply with differing performance requirements in overseas markets as it sought to expand its export business.

#### Ingenious Locks and Hardware Limited

The Company is expanding its core product range through the design and development of new locking mechanisms and ancillary products for the window and door hardware market.

#### Talisman Plastics Limited

The Company continues to develop new tooling to provide customers with leading manufacturing processes and equipment.

#### Synthotec Limited

The Company continues to develop new tooling for use in manufacturing processes as well as innovative new products in the automotive bearings sector.

#### Loughborough Projects Limited

The Company continues to develop solutions and applications for load monitoring systems on plant and equipment.

#### **Engagement with employees**

Throughout the Group employees are informed on a regular basis of production levels and relative production performance. Communication is both verbal and through visual means such as regularly updated notice boards, with involvement and interaction encouraged wherever possible.

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## PEMBERSTONE VENTURES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Engagement with suppliers, customers and others

Regular communication and key account management is practiced across the Group for customers and suppliers alike, incorporating collaborative working, process improvement and regular site visits both in the UK and overseas to maintain a current awareness and knowledge of the wider impact of the Group's business.

#### Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption are as follows:

	2020
Emissions resulting from activities for which the Group is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	1,160
Emissions resulting from the purchase of the electricity by the Group for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	4,492
Energy consumed from activities for which the Group is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport, in kWh	<u>25,462,000</u>

Emissions and energy consumption is based on underlying information on kWh usage taken at individual subsidiary sites, converted to the equivalent tonnes of CO2 equivalent.

Emissions from fuel used for transport are based on usage in litres (estimated from cost) of petrol and diesel for Group owned vehicles as well as costs of reimbursement for business use of personal vehicles.

The figures provided represent operational activities across all UK sites from which the Group operates. The directors have assessed CO2e per turnover as the most appropriate metric to track energy efficiency, calculated as kg of CO2 generated divided by group turnover. For the year ended 31 December 2020, this was 12.0%.

#### Matters covered in the strategic report

The directors consider the financial risk management, liquidity and other factors having a bearing on cash flow risk facing the group to be of strategic importance, and accordingly present this information in the Group Strategic Report.

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**PEMBERSTONE VENTURES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 Sep 2021 and signed on its behalf.

*Mark Anslow*

**M A ANSLOW** (23, 2021, 6:31pm)

**For and on behalf of  
The Whittington Partnership LLP  
Secretary**

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## PEMBERSTONE VENTURES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEMBERSTONE VENTURES LIMITED

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#### Opinion

We have audited the financial statements of Pemberstone Ventures Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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## PEMBERSTONE VENTURES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEMBERSTONE VENTURES LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinion 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 Group 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 Group 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 Group 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.

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## **PEMBERSTONE VENTURES LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEMBERSTONE VENTURES LIMITED (CONTINUED)**

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#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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 Auditors' 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 Group 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 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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## PEMBERSTONE VENTURES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEMBERSTONE VENTURES LIMITED (CONTINUED)

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#### Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets;
- Enquiring of local management and parent company management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud; and
- Obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or that had a fundamental effect on the operations of the Company, including General Data Protection requirements, Anti-bribery and corruption policy and the Coronavirus Job Retention Scheme.

#### Audit response to risks identified

Our procedures to respond to risk identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and correspondence with regulators; and
- Carrying out substantive testing to confirm the validity and accuracy of 'furlough' claims.



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## PEMBERSTONE VENTURES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEMBERSTONE VENTURES LIMITED (CONTINUED)

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We have also considered the risks noted above in addressing the risk of fraud through management override of controls:

- Testing the appropriateness of journal entries and other adjustments; we have used data analytics software to runs tests designed to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error;
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. Also, 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.

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

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Mike Jackson (Sep 24, 2021, 3:23pm)

Mike Jackson (Senior Statutory Auditor)

For and on behalf of  
**Hurst Accountants Limited**

Chartered Accountants and Statutory Auditors

Lancashire Gate  
21 Tiviot Dale  
Stockport  
Lancashire  
SK1 1TD

Date: 24 Sep 2021

PEMBERSTONE VENTURES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Continuing operations 2020 £	Discontin'd operations 2020 £	Total 2020 £	Continuing operations (as restated) 2019 £	Discontin'd operations (as restated) 2019 £	Total 2019 £
Turnover	4	45,752,327	1,509,699	47,262,026	53,615,490	1,708,983	55,324,473
Cost of sales		(30,279,910)	(616,351)	(30,896,261)	(34,458,220)	(708,822)	(35,167,042)
<b>Gross profit</b>		<b>15,472,417</b>	<b>893,348</b>	<b>16,365,765</b>	<b>19,157,270</b>	<b>1,000,161</b>	<b>20,157,431</b>
Distribution costs		(1,809,654)	8,804	(1,800,850)	(1,890,098)	4,882	(1,885,216)
Administrative expenses		(13,561,591)	(396,170)	(13,957,761)	(13,668,893)	(461,528)	(14,130,421)
Other operating income	5	1,881,533	8,450	1,889,983	212,517	-	212,517
Other operating charges		(112,354)	(10,600)	(122,954)	(115,693)	(3,454)	(119,147)
<b>Operating profit</b>	6	<b>1,870,351</b>	<b>503,832</b>	<b>2,374,183</b>	<b>3,695,103</b>	<b>540,061</b>	<b>4,235,164</b>
Profit on disposal of operations	27	-	1,432,504	1,432,504	-	-	-
Interest receivable and similar income	10	1,873	60	1,933	1,864	149	2,013
Interest payable and similar expenses	11	(527,649)	-	(527,649)	(803,324)	-	(803,324)
<b>Profit before taxation</b>		<b>1,344,575</b>	<b>1,936,396</b>	<b>3,280,971</b>	<b>2,893,643</b>	<b>540,210</b>	<b>3,433,853</b>
Tax on profit	12	47,875	(25,353)	22,522	(48,953)	(73,732)	(122,685)
<b>Profit for the financial year</b>		<b>1,392,450</b>	<b>1,911,043</b>	<b>3,303,493</b>	<b>2,844,690</b>	<b>466,478</b>	<b>3,311,168</b>
Exchange movements				96,258			(111,491)
Movements on hedging reserves				(31,244)			280,443
<b>Other comprehensive income for the year</b>				<b>65,014</b>			<b>168,952</b>

**PEMBERSTONE VENTURES LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>Total comprehensive income for the year</b>			<u><u>3,368,507</u></u>			<u><u>3,480,120</u></u>
<b>Profit for the year attributable to:</b>						
Non-controlling interests	330,007	135,701	465,708	309,217	132,236	441,453
Owners of the parent Company	<u>1,062,443</u>	<u>1,775,342</u>	<u>2,837,785</u>	<u>2,535,473</u>	<u>334,242</u>	<u>2,869,715</u>
	<u><u>1,392,450</u></u>	<u><u>1,911,043</u></u>	<u><u>3,303,493</u></u>	<u><u>2,844,690</u></u>	<u><u>466,478</u></u>	<u><u>3,311,168</u></u>
<b>Total comprehensive income for the year attributable to:</b>						
Non-controlling interest			454,589			423,602
Owners of the parent Company			<u>2,913,918</u>			<u>3,056,518</u>
			<u><u>3,368,507</u></u>			<u><u>3,480,120</u></u>

The notes on pages 28 to 59 form part of these financial statements.

**PEMBERSTONE VENTURES LIMITED**  
**REGISTERED NUMBER: 08659981**

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

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	14	5,202,463	5,950,351
Tangible assets	15	5,041,405	5,454,583
		<u>10,243,868</u>	<u>11,404,934</u>
<b>Current assets</b>			
Stocks	17	10,014,290	10,959,719
Debtors: amounts falling due after more than one year	18	1,292,389	167,008
Debtors: amounts falling due within one year	18	11,465,811	11,125,109
Cash at bank and in hand	19	3,500,591	1,466,811
		<u>26,273,081</u>	<u>23,718,647</u>
Creditors: amounts falling due within one year	20	(16,696,231)	(17,548,736)
<b>Net current assets</b>		<u>9,576,850</u>	<u>6,169,911</u>
<b>Total assets less current liabilities</b>		<u>19,820,718</u>	<u>17,574,845</u>
Creditors: amounts falling due after more than one year	21	(2,598,236)	(2,634,891)
<b>Provisions for liabilities</b>			
Deferred taxation	24	(417,144)	(427,250)
		<u>(417,144)</u>	<u>(427,250)</u>
<b>Net assets</b>		<u><u>16,805,338</u></u>	<u><u>14,512,704</u></u>

**PEMBERSTONE VENTURES LIMITED**  
**REGISTERED NUMBER: 08659981**

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

	Note	2020 £	2019 £
<b>Capital and reserves</b>			
Called up share capital	25	1,349	1,349
Share premium account	26	9,951	9,951
Capital redemption reserve	26	676,000	676,000
Foreign exchange reserve	26	146,440	50,182
Other reserves	26	(72,177)	(52,052)
Profit and loss account	26	14,175,547	12,097,018
<b>Equity attributable to owners of the parent Company</b>		<b>14,937,110</b>	<b>12,782,448</b>
Non-controlling interests		1,868,228	1,730,256
		<b>16,805,338</b>	<b>14,512,704</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 Sep 2021

*Mark Anslow*  
**M A Anslow**  
 Mark Anslow (Sep 23, 2021, 6:31pm)  
 Director

*David Williams*  
**D A Williams**  
 David Williams (Sep 23, 2021, 7:00pm)  
 Director

The notes on pages 28 to 59 form part of these financial statements.

**PEMBERSTONE VENTURES LIMITED**  
**REGISTERED NUMBER: 08659981**

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

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	16	1,300	1,300
		<u>1,300</u>	<u>1,300</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	18	373,194	633,208
Cash at bank and in hand	19	1,667	1,824
		<u>374,861</u>	<u>635,032</u>
Creditors: amounts falling due within one year	20	(6)	(20)
<b>Net current assets</b>		<u>374,855</u>	<u>635,012</u>
<b>Total assets less current liabilities</b>		<u>376,155</u>	<u>636,312</u>
<b>Net assets</b>		<u><u>376,155</u></u>	<u><u>636,312</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	1,349	1,349
Share premium account	26	9,951	9,951
Profit and loss account brought forward		625,012	174,988
Profit for the year		740,294	2,007,253
Other changes in the profit and loss account		<u>(1,000,451)</u>	<u>(1,557,229)</u>
Profit and loss account carried forward		<u>364,855</u>	<u>625,012</u>
		<u><u>376,155</u></u>	<u><u>636,312</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 Sep 2021

*Mark Anslow*

**M A Anslow**  
Mark Anslow (Sep 23, 2021, 6:31pm)  
Director

*David Williams*

**D A Williams**  
David Williams (Sep 23, 2021, 7:00pm)  
Director

The notes on pages 28 to 59 form part of these financial statements.

PEMBERSTONE VENTURES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2020	1,349	9,951	676,000	50,182	(52,052)	12,097,018	12,782,448	1,730,256	14,512,704
Profit for the year	-	-	-	-	-	2,837,785	2,837,785	465,708	3,303,493
Exchange movements	-	-	-	96,258	-	-	96,258	-	96,258
Movements on hedging reserves	-	-	-	-	(20,125)	-	(20,125)	(11,119)	(31,244)
<b>Total comprehensive income for the year</b>	-	-	-	96,258	(20,125)	2,837,785	2,913,918	454,589	3,368,507
Dividends: Equity capital	-	-	-	-	-	(1,000,451)	(1,000,451)	-	(1,000,451)
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	(75,422)	(75,422)
Changes in non-controlling interests	-	-	-	-	-	72,298	72,298	(72,298)	-
Other movements in non- controlling interests	-	-	-	-	-	168,897	168,897	(168,897)	-
<b>At 31 December 2020</b>	<b>1,349</b>	<b>9,951</b>	<b>676,000</b>	<b>146,440</b>	<b>(72,177)</b>	<b>14,175,547</b>	<b>14,937,110</b>	<b>1,868,228</b>	<b>16,805,338</b>

The notes on pages 28 to 59 form part of these financial statements.

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**PEMBERSTONE VENTURES LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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Changes in the proportion of non-controlling interests in certain subsidiary undertakings has resulted in a decrease in non-controlling interests of £72,298 and an increase in equity attributable to owners of the parent company of £72,298.

Other movements in non-controlling interests, resulting in a decrease in non-controlling interests of £168,897 and an increase in equity attributable to owners of the parent of £168,897, relate to the disposal of certain subsidiary undertakings.



PEMBERSTONE VENTURES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2019	1,349	9,951	676,000	161,673	(350,346)	11,300,339	11,798,966	955,369	12,754,335
Profit for the year	-	-	-	-	-	2,869,715	2,869,715	441,453	3,311,168
Exchange movements	-	-	-	(111,491)	-	-	(111,491)	-	(111,491)
Movements on hedging reserves	-	-	-	-	298,294	-	298,294	(17,851)	280,443
<b>Total comprehensive income for the year</b>	-	-	-	(111,491)	298,294	2,869,715	3,056,518	423,602	3,480,120
Dividends: Equity capital	-	-	-	-	-	(1,557,229)	(1,557,229)	-	(1,557,229)
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	(171,522)	(171,522)
Changes in non-controlling interests	-	-	-	-	-	32,269	32,269	(25,269)	7,000
Other movements in non- controlling interests	-	-	-	-	-	(548,076)	(548,076)	548,076	-
<b>At 31 December 2019</b>	<b>1,349</b>	<b>9,951</b>	<b>676,000</b>	<b>50,182</b>	<b>(52,052)</b>	<b>12,097,018</b>	<b>12,782,448</b>	<b>1,730,256</b>	<b>14,512,704</b>

The notes on pages 28 to 59 form part of these financial statements.

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**PEMBERSTONE VENTURES LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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Changes in the proportion of non-controlling interests in certain subsidiary undertakings has resulted in a decrease in non-controlling interests of £25,269 and an increase in equity attributable to owners of the parent company of £32,269.

Other movements in non-controlling interests, resulting in an increase in non-controlling interests of £548,076 and a decrease in equity attributable to owners of the parent of £548,076, relate to net liabilities in certain subsidiary undertakings not recoverable from non-controlling interests.

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**PEMBERSTONE VENTURES LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1,349	9,951	625,012	636,312
Profit for the year	-	-	740,294	740,294
Dividends: Equity capital	-	-	(1,000,451)	(1,000,451)
<b>At 31 December 2020</b>	<b>1,349</b>	<b>9,951</b>	<b>364,855</b>	<b>376,155</b>

The notes on pages 28 to 59 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	1,349	9,951	174,988	186,288
Profit for the year	-	-	2,007,253	2,007,253
Dividends: Equity capital	-	-	(1,557,229)	(1,557,229)
<b>At 31 December 2019</b>	<b>1,349</b>	<b>9,951</b>	<b>625,012</b>	<b>636,312</b>

The notes on pages 28 to 59 form part of these financial statements.

**PEMBERSTONE VENTURES LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,303,493	3,311,168
<b>Adjustments for:</b>		
Amortisation of intangible assets	747,888	506,503
Depreciation of tangible assets	1,142,925	1,194,665
Loss on disposal of tangible assets	(20,687)	(2,363)
Government grants	(1,770,891)	(5,869)
Interest paid	527,650	803,323
Interest received	(1,933)	(2,013)
Taxation charge	(22,522)	122,685
Decrease/(increase) in stocks	825,603	(2,575)
Decrease in debtors	161,177	201,290
Increase/(decrease) in creditors	951,698	(828,482)
Corporation tax received/(paid)	156,959	(179,973)
Disposal of operations	(1,432,504)	-
Cash received from government grants	1,748,522	-
<b>Net cash generated from operating activities</b>	<b>6,317,378</b>	<b>5,118,359</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(652,770)	(1,328,610)
Sale of tangible fixed assets	75,058	36,131
Proceeds from sales of investments	185,665	7,000
Interest received	1,933	2,013
HP interest paid	(16,703)	(25,623)
<b>Net cash from investing activities</b>	<b>(406,817)</b>	<b>(1,309,089)</b>

**PEMBERSTONE VENTURES LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from financing activities</b>		
New secured loans	250,000	-
Repayment of other loans	(756,666)	(2,706,619)
Net repayment of finance leases	(143,065)	(281,467)
Movements on invoice discounting	(1,538,894)	595,687
Dividends paid	(1,000,451)	(1,557,229)
Interest paid	(558,997)	(715,299)
Dividends paid to non controlling interests	(75,422)	(171,522)
<b>Net cash used in financing activities</b>	<b>(3,823,495)</b>	<b>(4,836,449)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,087,066</b>	<b>(1,027,179)</b>
Cash and cash equivalents at beginning of year	1,413,525	2,440,704
<b>Cash and cash equivalents at the end of year</b>	<b>3,500,591</b>	<b>1,413,525</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,500,591	1,466,811
Bank overdrafts	-	(53,286)
	<b>3,500,591</b>	<b>1,413,525</b>

The notes on pages 28 to 59 form part of these financial statements.

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**PEMBERSTONE VENTURES LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	At 1 January 2020 £	Cash flows £	Acquisition and disposal of subsidiaries £	Other non- cash changes £	At 31 December 2020 £
Cash at bank and in hand	1,466,811	2,242,865	(209,085)	-	3,500,591
Bank overdrafts	(53,286)	53,286	-	-	-
Debt due after 1 year	(2,375,000)	-	-	(40,000)	(2,415,000)
Debt due within 1 year	(12,200,590)	2,025,863	-	40,000	(10,134,727)
Finance leases	(405,274)	22,910	-	-	(382,364)
	<u>(13,567,339)</u>	<u>4,344,924</u>	<u>(209,085)</u>	<u>-</u>	<u>(9,431,500)</u>

The notes on pages 28 to 59 form part of these financial statements.

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## PEMBERSTONE VENTURES LIMITED

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

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#### 1. General information

The Company is a private company limited by shares and is incorporated in England with company number 08659981.

The address of the Company's registered office and principal place of business is Whittington Hall, Whittington Road, Worcester, WR5 2ZX.

The nature of the Company's operations and its principal activity is that of a holding company. Details of the nature of operations and principal activities of other companies in the Group are included in the Group Strategic Report.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

Merger accounting was used to record the acquisition of Pemberstone Ventures (2013) Limited by Pemberstone Ventures Limited during 2013 as this was permitted at this time.

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## PEMBERSTONE VENTURES LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

In March 2020, the COVID-19 outbreak was classed as a global pandemic, and on 23 March 2020, the Prime Minister of the UK ordered that the country be placed into a "lockdown" whereby all nonessential workplaces, had to close. The directors immediately took actions to safeguard the business of the Company's subsidiary undertakings, including the utilisation of the government's furlough scheme, increased focus on short-term rolling cash flow forecasting and diligent working capital management around stock, debtors and creditors in light of the challenges the business faced.

Following the initial relaxation of lockdown restrictions from June 2020 trade began to improve; sustainably so through subsequent lockdown periods in November 2020 and January 2021.

The directors are satisfied that the business remains resilient and through actions taken to date has adapted to the current economic climate. The directors have prepared cash flow forecasts for the business of the Company's subsidiary undertakings and, having reviewed the cash requirements the business may have during the period of 12 months from the signing of the financial statements, are satisfied that the Company will continue to be able to pay its debts as they fall due. Accordingly, the directors have prepared these financial statements on the fundamental assumption that the Company is a going concern.

##### 2.4 Revenue

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

###### Sale of goods

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

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

###### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.



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## PEMBERSTONE VENTURES LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.5 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

###### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### 2.6 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided on the following basis:

Long-term leasehold property	- 7 years
Short-term leasehold property	- 5 years
Plant and machinery	- Up to 10 years
Motor vehicles	- 4-5 years
Fixtures and fittings	- 3-5 years
Office equipment	- 3-5 years

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## PEMBERSTONE VENTURES LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Assets under construction are only subject to depreciation at the point that they are brought into use. The carrying value is reviewed periodically and if any assets are unlikely to generate future economic benefit they are subject to impairment accordingly.

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

##### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

##### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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## PEMBERSTONE VENTURES LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.11 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, such as forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group applies hedge accounting for foreign exchange derivatives, with the fair value adjustment being taken to a hedging reserve.

##### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## PEMBERSTONE VENTURES LIMITED

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

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## 2. Accounting policies (continued)

### 2.13 Hedge accounting

The Group uses foreign currency forward contracts to manage its exposure to exchange rate risk on its trade debtors and trade creditors. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

### 2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

### 2.15 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

### 2.16 Dividends

Equity dividends are recognised when they become legally payable.

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**PEMBERSTONE VENTURES LIMITED**

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

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**2. Accounting policies (continued)**

**2.17 Operating leases: the Group as lessor**

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

**2.18 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.19 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.20 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.21 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

**2.22 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

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## PEMBERSTONE VENTURES LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.23 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### 2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 2.25 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are not discounted.

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**PEMBERSTONE VENTURES LIMITED**

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

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**2. Accounting policies (continued)**

**2.26 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.27 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", as the figures for the Company appear within the Consolidated Statement of Cash Flows presented within these financial statements:

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

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## PEMBERSTONE VENTURES LIMITED

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

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#### 3. Judgments 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following have the most significant effect on amounts recognised in the financial statements:

##### **Impairment of non-financial assets**

Where there are indicators of impairment of individual assets, the directors perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value calculation is based on the best observable data to support an arm's length transaction less incremental costs of disposal. The value in use calculation is based on a discounted cash flow test.

##### **Assets under construction**

Assets under construction are valued at cost and only depreciated once they are complete and brought into operational usage. During the period of construction, the directors consider whether or not any impairment is required, on an annual basis, dependant on whether any event or change of circumstances indicate that the carrying value may not be recoverable. At 31 December 2020 the carrying value of assets under construction was £663,799 (2019 - £874,131).

##### **Tooling**

Certain moulding and pressing tools are owned by the group but used by third party manufacturers and are capitalised then amortised over their useful economic life subject to a maximum of 5 years. Any tooling which is not in productive use is written down to nil value. At 31 December 2020 the carrying value of tooling was £171,651 (2019 - £143,428).

##### **Goodwill**

Goodwill acquired on each business combination is capitalised on the balance sheet and amortised over its expected useful economic life or ten years, whichever is the shorter. Goodwill acquired in a business combination is, from the date of acquisition, allocated against the cash generating units expected to benefit from the combination. If any business unit containing unamortised goodwill is disposed of then the remaining unamortised goodwill is taken into account in calculating the profit or loss on sale or discontinuance. At 31 December 2020 the carrying value of positive goodwill was £5,202,463 (2019 - £5,950,351) and the carrying value of negative goodwill was £Nil (2019 - £Nil).

##### **Taxation**

The group establishes provisions based on reasonable estimates of tax liabilities based upon the accounting results of each company in the group. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. At 31 December 2020 the carrying value of deferred tax assets was £92,389 (2019 - £167,008) and the carrying value of deferred tax liabilities was £417,144 (2019 - £427,250). Further details are contained in note 24.

Where claims are made for tax relief for Research and Development costs these are accounted for as tax provisions or assets to the extent that claims are expected to be recovered. The impact on the current year tax charge from Research and Development costs was a credit of £430,628 (2019 - £537,590).



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**PEMBERSTONE VENTURES LIMITED**

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

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Supply of engineered electrical and mechanical parts	16,084,413	18,045,843
Precision injection moulding	5,870,233	6,926,738
Engineering products for the plastics industry	3,843,413	4,759,790
Specialist label printing	2,018,226	2,158,118
Manufacture of photographic film and related products	18,233,287	22,387,586
Other	1,212,454	1,046,398
	<u>47,262,026</u>	<u>55,324,473</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	21,399,944	23,171,343
Rest of Europe	14,177,191	15,786,437
Rest of the world	11,684,891	16,366,693
	<u>47,262,026</u>	<u>55,324,473</u>

**5. Other operating income**

	2020 £	2019 £
Other operating income	118,838	206,399
Royalty receivable	253	249
Government grants receivable	1,770,892	5,869
	<u>1,889,983</u>	<u>212,517</u>

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PEMBERSTONE VENTURES LIMITED

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

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**6. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	155,064	232,766
Exchange differences	210,455	481,309
Other operating lease rentals	<u>1,784,978</u>	<u>1,716,107</u>

**7. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	84,350	85,230
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	<u>16,748</u>	<u>16,748</u>

**PEMBERSTONE VENTURES LIMITED**

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

**8. Employees**

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

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Wages and salaries	12,145,570	12,526,325	-	-
Social security costs	1,144,527	1,259,364	-	-
Cost of defined contribution scheme	669,118	476,161	-	-
	<u>13,959,215</u>	<u>14,261,850</u>	<u>-</u>	<u>-</u>

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

	<b>2020 No.</b>	<i>2019 No.</i>
Production	291	306
Administration	101	100
Sales	34	37
	<u>426</u>	<u>443</u>

The average monthly number of employees in the Company during the year was 0 (2019 - 0).

**9. Directors' remuneration**

During the year, no director of the Company received any emoluments (2019 - £Nil) from either the Company or any subsidiary undertaking.

Key management remuneration is included in note 31.

**10. Interest receivable**

	<b>2020 £</b>	<i>2019 £</i>
Other interest receivable	1,933	2,013
	<u>1,933</u>	<u>2,013</u>

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PEMBERSTONE VENTURES LIMITED

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

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**11. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	141,533	156,645
Other loan interest payable	369,414	621,056
Finance leases and hire purchase contracts	16,702	25,623
	<u>527,649</u>	<u>803,324</u>

**12. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	(118,928)	18,928
Adjustments in respect of previous periods	(24,279)	(52,964)
	<u>(143,207)</u>	<u>(34,036)</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	63,700	39,063
<b>Total current tax</b>	<u>(79,507)</u>	<u>5,027</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	55,387	137,280
Adjustments in respect of previous periods	1,598	(19,622)
<b>Total deferred tax</b>	<u>56,985</u>	<u>117,658</u>
<b>Taxation on profit on ordinary activities</b>	<u>(22,522)</u>	<u>122,685</u>

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PEMBERSTONE VENTURES LIMITED

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

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12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	3,280,971	3,433,853
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	623,384	652,432
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	123,560	77,697
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,044	5,267
Capital allowances for year in excess of depreciation	(70,876)	(7,344)
Adjustments in respect of tax losses	17,345	(6,352)
Higher rate taxes on overseas earnings	2,715	11,161
Adjustments to tax charge in respect of prior periods	(22,681)	(72,586)
Non-taxable income	(272,176)	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(430,628)	(537,590)
Other differences leading to an decrease in the tax charge	(209)	-
Total tax (credit)/charge for the year	(22,522)	122,685

Factors that may affect future tax charges

The main rate of corporation tax is due to increase to 25% in the tax year commencing 1st April 2023 for companies where profits exceed £250,000. A tapered rate will be introduced for profits above £50,000 up to the £250,000 limit.

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**PEMBERSTONE VENTURES LIMITED**

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

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**13. Dividends**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Ordinary 'B'</b>		
Dividends paid to shareholders of the parent company	<b>810,451</b>	<b>1,330,229</b>
<b>Ordinary 'D'</b>		
Dividends paid to shareholders of the parent company	<b>100,000</b>	<b>120,000</b>
<b>Ordinary 'E'</b>		
Dividends paid to shareholders of the parent company	<b>90,000</b>	<b>107,000</b>
	<b>1,000,451</b>	<b>1,557,229</b>

PEMBERSTONE VENTURES LIMITED

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

14. Intangible assets

Group

	Patents £	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>				
At 1 January 2020	4,651	7,956,692	(3,499,484)	4,461,859
Disposals	(50)	-	-	(50)
At 31 December 2020	4,601	7,956,692	(3,499,484)	4,461,809
<b>Amortisation</b>				
At 1 January 2020	4,651	2,006,341	(3,499,484)	(1,488,492)
Charge for the year on owned assets	-	747,888	-	747,888
On disposals	(50)	-	-	(50)
At 31 December 2020	4,601	2,754,229	(3,499,484)	(740,654)
<b>Net book value</b>				
At 31 December 2020	-	5,202,463	-	5,202,463
At 31 December 2019	-	5,950,351	-	5,950,351

The directors monitor for indicators of impairment or changes in the useful economic life of intangible assets and deem there to have been no change to previous assessments for the current year.

Included in positive goodwill are amounts with net book value £309,928 (2019 - £349,705), arising in October 2018, having a useful life of 10 years and having a remaining useful life of 8 years as at 31 December 2020.

Included in positive goodwill are amounts with net book value £4,417,756 (2019 - £4,973,008), arising in November 2018, having a useful life of 10 years and having a remaining useful life of 8 years as at 31 December 2020.

Remaining positive goodwill was assessed upon transition to FRS 102 as at 1 January 2014 as having, in the absence of anything to suggest the contrary, a remaining useful life of 10 years, being the maximum permitted under FRS 102. Positive goodwill assessed on transition to FRS 102 therefore has a remaining useful life of 3 years as at 31 December 2020.

Negative goodwill with a carrying value of £Nil (2019 - £Nil) arose on the acquisition of a subsidiary undertaking on 10 September 2015. At that time, negative goodwill was allocated firstly against tangible assets to be amortised over the useful life of those assets, being 4 years. Residual amounts were allocated to stock to be amortised over an average stock holding period of 6 months.

PEMBERSTONE VENTURES LIMITED

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

15. Tangible fixed assets

Group

	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Assets under construction £	Total £
<b>Cost or valuation</b>								
At 1 January 2020	76,410	205,521	9,542,907	173,043	311,531	831,859	874,131	12,015,402
Additions	-	2,529	427,624	-	688	39,763	244,278	714,882
Disposals	-	-	(34,189)	-	-	-	-	(34,189)
Disposal of subsidiary	-	-	(309,741)	(46,862)	(31,026)	(16,732)	-	(404,361)
Transfers between classes	-	-	279,261	-	27,024	148,325	(454,610)	-
Exchange adjustments	-	-	151,053	9,308	-	5,465	-	165,826
At 31 December 2020	76,410	208,050	10,056,915	135,489	308,217	1,008,680	663,799	12,457,560
<b>Depreciation</b>								
At 1 January 2020	75,249	103,075	5,433,497	100,932	260,060	588,006	-	6,560,819
Charge for the year on owned assets	694	10,659	867,892	21,039	19,518	129,083	-	1,048,885
Charge for the year on financed assets	-	-	94,040	-	-	-	-	94,040
Disposals	-	-	(31,591)	-	-	-	-	(31,591)
Disposal of subsidiary	-	-	(290,453)	(16,402)	(31,026)	(14,707)	-	(352,588)
Exchange adjustments	-	-	84,958	7,737	-	3,895	-	96,590
At 31 December 2020	75,943	113,734	6,158,343	113,306	248,552	706,277	-	7,416,155



PEMBERSTONE VENTURES LIMITED

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

15. Tangible fixed assets (continued)

Net book value

At 31 December 2020	<u>467</u>	<u>94,316</u>	<u>3,898,572</u>	<u>22,183</u>	<u>59,665</u>	<u>302,403</u>	<u>663,799</u>	<u>5,041,405</u>
At 31 December 2019	<u>1,161</u>	<u>102,446</u>	<u>4,109,410</u>	<u>72,111</u>	<u>51,471</u>	<u>243,853</u>	<u>874,131</u>	<u>5,454,583</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Long leasehold	467	1,161
Short leasehold	<u>94,316</u>	<u>102,446</u>
	<u>94,783</u>	<u>103,607</u>

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

	2020 £	2019 £
Plant and machinery	517,035	489,478
Motor vehicles	<u>-</u>	<u>7,712</u>
	<u>517,035</u>	<u>497,190</u>

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**PEMBERSTONE VENTURES LIMITED**

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

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**15. Tangible fixed assets (continued)**

**16. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2020	1,300
At 31 December 2020	<u>1,300</u>

All subsidiary companies are incorporated in England and Wales with the exception of Synthotec Slovakia s.r.o., incorporated in Slovakia, Ningbo Maxim Global Trade Co. Limited, incorporated in China and Harman Technology LLC, incorporate in the United States of America.

The registered office of Synthotec Slovakia s.r.o. is Kysucká cesta 3, 010 61 Žilina, Slovakia. The registered office of Ningbo Maxim Global Trade Co. Limited is Room 903 Building 1, New World International Business Mansion, No. 1018 Min An Road, Jiandong District, Ningbo, Zhejiang, China 315041. The registered office of Harman Technology LLC is 251 Little Falls Drive, Wilmington, DE, 19808.

All other subsidiary undertakings have the same registered office as the parent company, being Whittington Hall, Whittington Road, Worcester, WR5 2ZX.

All subsidiary undertakings have been consolidated in these financial statements in accordance with accounting policy note 2.2.

There were no significant restrictions on any subsidiary undertaking on their ability to repay loans and dividends to the parent entity.

**Direct subsidiary undertaking**

The following was a direct subsidiary undertaking of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Pemberstone Ventures (2013) Limited	Ordinary	100.0%

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**PEMBERSTONE VENTURES LIMITED**

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

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**Subsidiary undertaking (continued)**

**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Secura Labels Limited	Ordinary	100.0%
Talisman Plastics Limited	A Ordinary	85.0%
Talisman Mouldings Limited	A Ordinary	85.0%
Talisman Caps and Closures Limited	A Ordinary	85.0%
Talisman Tooling Limited	A Ordinary	85.0%
Talisman Security Seals Limited	A Ordinary	85.0%
LGG Charlesworth Limited	A Ordinary	85.0%
Kennet Plastics Limited	A Ordinary	85.0%
Synthotec Group Limited	A Ordinary	80.9%
Synthotec Limited	A Ordinary	80.9%
Synthotec Slovakia Limited	A Ordinary	80.9%
Synthotec Slovakia s.r.o.	A Ordinary	80.9%
MI Industries Limited	A1 Ordinary	78.1%
Ingenious Locks & Hardware Limited	A1 Ordinary	78.1%
Pemberstone Logistics Limited	A1 Ordinary	78.1%
Maxim Industries Limited	A Ordinary	90.0%
Ningbo Maxim Global Trade Co. Limited	A Ordinary	90.0%
WQMS Holdings Limited	A Ordinary	79.9%
Intellitect Water Limited	A Ordinary	79.9%
The Harman Group Limited	A Ordinary	95.0%
Harman Technology Limited	A Ordinary	95.0%
Harman Technology LLC	A Ordinary	95.0%
PVL(19) Limited	Ordinary	70.0%
Loughborough Projects (Holdings) Limited	Ordinary	70.0%
Loughborough Projects Limited	Ordinary	70.0%
Pemberstone Developments Limited	Ordinary	100.0%
Pemberstone Properties (No. 4) Limited	Ordinary	100.0%
Westmoor Developments Limited	Ordinary	100.0%
Westmoor Homes Limited	Ordinary	100.0%
Westmoor Homes (2) Limited	Ordinary	100.0%

The proportions stated above are the proportion that the Company's shareholding represents of the entire nominal value of the share capital of the relevant subsidiary company. With the exception of PVL(19) Limited (as an indirect subsidiary), the Company owns 100% of the class of shares which it holds and ownership of further classes of shares by third parties gives rise to the total diluted proportions reported. In the case of PVL (19) Limited, there is only a single class of share and so the Company's total proportion (held indirectly), as disclosed above, also represents its proportion of that class.

**PEMBERSTONE VENTURES LIMITED**

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

**17. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Raw materials and consumables	2,893,905	3,102,134
Work in progress (goods to be sold)	2,157,767	3,329,987
Finished goods and goods for resale	4,962,618	4,527,598
	<u>10,014,290</u>	<u>10,959,719</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The carrying value of stocks are stated net of impairment losses totalling £475,997 (2019 - £591,141). Impairment losses totalling £236,312 (2019 - £168,911) were recognised in profit and loss.

**18. Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Due after more than one year</b>				
Other debtors	1,200,000	-	-	-
Deferred tax asset	92,389	167,008	-	-
	<u>1,292,389</u>	<u>167,008</u>	<u>-</u>	<u>-</u>
	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Due within one year</b>				
Trade debtors	8,837,122	8,720,583	-	-
Amounts owed by group undertakings	-	-	373,194	633,208
Other debtors	655,854	405,587	-	-
Prepayments and accrued income	1,553,724	1,339,617	-	-
Tax recoverable	419,111	659,322	-	-
	<u>11,465,811</u>	<u>11,125,109</u>	<u>373,194</u>	<u>633,208</u>

An impairment loss of £37,618 (2019 - £22,654) was recognised in administrative expenses against trade debtors during the year due to bad or doubtful debts.

**PEMBERSTONE VENTURES LIMITED**

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**19. Cash and cash equivalents**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Cash at bank and in hand	<b>3,500,591</b>	<b>1,466,811</b>	<b>1,667</b>	<b>1,824</b>
Less: bank overdrafts	-	(53,286)	-	-
	<b>3,500,591</b>	<b>1,413,525</b>	<b>1,667</b>	<b>1,824</b>

**20. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Bank overdrafts	-	53,286	-	-
Bank loans	<b>3,637,544</b>	<b>5,051,438</b>	-	-
Other loans	<b>6,497,183</b>	<b>7,149,152</b>	-	-
Trade creditors	<b>3,697,593</b>	<b>2,047,477</b>	-	-
Amounts owed to group undertakings	-	-	-	14
Corporation tax	<b>358,554</b>	<b>505,161</b>	<b>6</b>	<b>6</b>
Other taxation and social security	<b>486,280</b>	<b>426,781</b>	-	-
Obligations under finance lease and hire purchase contracts	<b>199,128</b>	<b>145,383</b>	-	-
Other creditors	<b>378,429</b>	<b>392,555</b>	-	-
Accruals and deferred income	<b>1,350,359</b>	<b>1,717,587</b>	-	-
Financial instruments	<b>91,161</b>	<b>59,916</b>	-	-
	<b>16,696,231</b>	<b>17,548,736</b>	<b>6</b>	<b>20</b>

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**PEMBERSTONE VENTURES LIMITED**

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

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**Creditors: Amounts falling due within one year (continued)**

Bank overdrafts of £Nil (2019 - £53,286) are secured by fixed and floating charges over the assets of individual subsidiary companies.

Included in bank loans are amounts totalling £3,512,544 (2019 - £5,051,438) in respect of invoice discounting and import loan facilities which are secured by fixed and floating charges over the assets of certain individual subsidiary companies.

Residual amounts included in bank loans of £125,000 (2019 - £Nil) relate to a £250,000 cash flow loan which is secured by fixed and floating charges over the assets of an individual subsidiary company. The loan is repayable in monthly installments of £10,417 and bears an interest rate of Bank of England Base Rate plus 3.5%.

Included in other loans are amounts totalling £6,257,183 (2019 - £6,649,152) which are secured by fixed and floating charges over the assets of certain group companies. The remaining £240,000 (2019 - £500,000) is unsecured.

Of the amounts included in other loans:

£2,595,000 (2019 - £2,715,000) bears an interest rate of 8%;  
£166,667 (2019 - £458,333) bears an interest rate of 6%;  
£595,000 (2019 - £595,000) bears an interest rate of Bank of England Base Rate plus 2%;  
£900,000 (2019 - £900,000) bears an interest rate of 2%;  
£1,473,911 (2019 - £1,454,214) bears an interest rate of Bank of England Base Rate plus 1%; and  
£766,605 (2019 - £1,026,605) bears no interest.

Of the amounts included in other loans:

£406,667 (2019 - £958,333) is required to be repaid in monthly installments of £41,667; and  
£6,090,516 (2019 - £6,190,819) have no fixed repayments.

Further details of amounts included in other loans are provided in note 31.

Obligations under finance lease and hire purchase contracts of £199,128 (2019 - £145,383) are secured on the individual assets to which they relate.

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PEMBERSTONE VENTURES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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21. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £
Bank loans	125,000	-
Other loans	2,290,000	2,375,000
Net obligations under finance leases and hire purchase contracts	183,236	259,891
	<u>2,598,236</u>	<u>2,634,891</u>

Amounts included in bank loans of £125,000 (2019 - £Nil) relate to a £250,000 cash flow loan which is secured by fixed and floating charges over the assets of an individual subsidiary company. The loan is repayable in monthly installments of £10,417 and bears an interest rate of Bank of England Base Rate plus 3.5%.

Included in other loans are amounts totalling £1,940,000 (2019 - £2,000,000) which are secured by fixed and floating charges over the assets of certain group companies. The remaining £350,000 (2019 - £375,000) is unsecured.

Of the amounts included in other loans:

£Nil (2019 - £2,000,000) bears an interest rate of 12%;  
£1,940,000 (2019 - £Nil) bears an interest rate of 6%; and  
£350,000 (2019 - £375,000) bears an interest rate of 0%.

Of the amounts included in other loans:

£350,000 (2019 - £375,000) is repayable in monthly instalments of £41,667; and  
£1,940,000 (2019 - £2,000,000) is required to be repaid on or before 26 November 2025.

Further details of amounts included in other loans are provided in note 31.

Obligations under finance lease and hire purchase contracts of £183,236 (2019 - £259,891) are secured on the individual assets to which they relate.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	Group 2020 £	Group 2019 £
Repayable other than by instalments	1,940,000	2,000,000
	<u>1,940,000</u>	<u>2,000,000</u>

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PEMBERSTONE VENTURES LIMITED

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

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**22. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Within one year	199,128	145,383
Between 1-5 years	183,236	259,891
	<u>382,364</u>	<u>405,274</u>

**23. Financial instruments**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b>Financial liabilities</b>		
Derivative financial instruments designated as hedges of foreign exchange risk	(91,161)	(59,916)

Derivative financial instruments designated as hedges of foreign exchange risk comprise foreign currency forward contracts.



**PEMBERSTONE VENTURES LIMITED**

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

**24. Deferred taxation**

**Group**

	<b>2020 £</b>
At beginning of year	(260,242)
Charged to profit or loss	(64,513)
<b>At end of year</b>	<b>(324,755)</b>

The deferred tax balance is made up as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Accelerated capital allowances	(407,431)	(396,198)
Tax losses carried forward	79,970	134,622
Other	2,706	1,334
	<b>(324,755)</b>	<b>(260,242)</b>

**Comprising:**

Asset - due after one year	92,389	167,008	-	-
Liability	(417,144)	(427,250)	-	-
	<b>(324,755)</b>	<b>(260,242)</b>	<b>-</b>	<b>-</b>

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PEMBERSTONE VENTURES LIMITED

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

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25. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
3,640 (2019 - 3,640) ordinary 'A' shares of £0.25 each	910	910
1,404 (2019 - 1,404) ordinary 'B' shares of £0.25 each	351	351
404 (2019 - 404) ordinary 'C' shares of £0.10 each	40	40
173 (2019 - 173) ordinary 'D' shares of £0.05 each	9	9
156 (2019 - 156) ordinary 'E' shares of £0.25 each	39	39
	<hr/>	<hr/>
	1,349	1,349
	<hr/>	<hr/>

The 'A' ordinary shares have one vote per share, carry rights to participate in dividends and are entitled to share in any surplus capital and assets of the Company available to shareholders on winding up, save for the amounts to which the 'B', 'D' and 'E' ordinary shares are entitled.

The 'B' ordinary shares have no voting rights, carry the right to participate in dividends in certain circumstances, but, in the event of winding up, are only entitled to participate in capital and assets up to the nominal value of the shares, but carry no further capital rights.

The 'C' ordinary shares have one vote per share, carry rights to participate in dividends in certain circumstances and are entitled, in certain circumstances, to share in any surplus capital and assets of the Company available to shareholders on winding up, save for the amounts to which the 'B', 'D' and 'E' ordinary shares are entitled.

The 'D' ordinary shares have no voting rights, carry the right to participate in dividends in certain circumstances, but, in the event of winding up, are only entitled to participate in capital and assets up to the nominal value of the shares, but carry no further capital rights.

The 'E' ordinary shares have no voting rights, carry the right to participate in dividends in certain circumstances, but, in the event of winding up, are only entitled to participate in capital and assets up to the nominal value of the shares, but carry no further capital rights.

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**PEMBERSTONE VENTURES LIMITED**

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

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**26. Reserves**

**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Capital redemption reserve**

Capital redemption reserves are undistributable reductions in share capital.

**Foreign exchange reserve**

Foreign exchange reserves are undistributable temporary exchange rate gains and losses as a result of translation of enterprises that operate overseas.

**Other reserves**

Other reserves relate to unrealised gains and losses on derivative contracts, denoted as hedges of foreign exchange risk, held until maturity.

Certain subsidiary companies utilise variable to fixed rate interest swaps to manage their exposure to interest rate cash flow risk. These derivatives are measured at fair value at each balance sheet date. The cash flows associated with such hedges are expected to occur during the 12 month period from the balance sheet date.

**Profit and loss account**

Retained earnings are the distributable accumulation of profits and losses, net of dividends.

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PEMBERSTONE VENTURES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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**27. Discontinued operations**

On 30 December 2020 the Group disposed of its interest in The Real Georgian Bar Company Limited and its subsidiary undertaking The Georgian Bar Company Limited ("the Georgian Bar companies") for consideration of £2,000,000. Disposal costs of £5,250 were incurred as part of the disposal, giving rise to a profit on disposal of £1,432,504.

Cash consideration of £400,000 was received on 30 December 2020, with residual amounts totalling £1,600,000 to be paid in equal instalments of £100,000 per quarter over 4 years. Amounts totalling £400,000 are therefore included within other debtors due <1 year and £1,200,000 in other debtors due >1 year in note 18.

The net cash inflow to the group as a result of the disposal was £185,665.

The Company recognised a profit on disposal of the Georgian Bar companies of £1,994,733.

Amounts recognised in the Statement of Comprehensive Income in relation to the trade of the Georgian Bar companies is disclosed as a discontinued operation, with the prior year restated.

	£
Cash proceeds	400,000
Deferred consideration	1,600,000
Disposal costs	(5,250)
	<u>1,994,750</u>
<b>Net assets disposed of:</b>	
Tangible fixed assets	51,773
Stocks	119,826
Debtors	335,631
Cash	209,085
Creditors	(154,069)
	<u>562,246</u>
<b>Profit on disposal before tax</b>	<u><u>1,432,504</u></u>

The net inflow of cash in respect of the sale of the Georgian Bar companies is as follows:

	£
Cash consideration	400,000
Disposal costs	(5,250)
Cash transferred on disposal	(209,085)
<b>Net inflow of cash</b>	<u><u>185,665</u></u>

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PEMBERSTONE VENTURES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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**28. Capital commitments**

At 31 December 2020 the Group had no material capital commitments (2019 - £Nil) where contracted but not provided for in these financial statements.

**29. Pension commitments**

A number of companies within the Group operate defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £669,118 (2019 - £476,161). Contributions totalling £38,869 (2019 - £29,758) were payable to the funds at the Balance Sheet date.

**30. Commitments under operating leases**

At 31 December 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b>Land and buildings</b>		
Not later than 1 year	<b>1,747,430</b>	<b>1,555,312</b>
Later than 1 year and not later than 5 years	<b>5,377,096</b>	<b>6,015,579</b>
Later than 5 years	<b>888,683</b>	<b>558,045</b>
	<b>8,013,209</b>	<b>8,128,936</b>
	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b>Other assets</b>		
Not later than 1 year	<b>142,825</b>	<b>134,454</b>
Later than 1 year and not later than 5 years	<b>158,598</b>	<b>106,052</b>
	<b>301,423</b>	<b>240,506</b>

The Company had no commitments under non-cancellable operating leases as at the balance sheet date.

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## PEMBERSTONE VENTURES LIMITED

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

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#### 31. Related party transactions

During the year, the Group was recharged costs and charged management fees totalling £454,810 (2019 - £469,832) by a limited liability partnership in which certain directors of the parent company (and certain of their family members) are members. There were no amounts outstanding at either balance sheet date.

Included in creditors are other loans totalling £6,090,516 (2019 - £6,190,819) owed to companies in which certain directors of the parent company ultimately hold interests.

Of these amounts, £6,090,516 (2019 - £6,190,819) are secured by way of fixed and floating charges over the assets of certain group companies. Further details of these amounts are included in notes 20 and 21.

Interest totalling £182,597 (2019 - £309,621) was charged on these loans and is included in other loan interest payable.

Included in creditors are other loans and loan notes totalling £2,696,667 (2019 - £3,333,333) owed to directors or former directors, (who held office during either the current or prior year), of certain subsidiary undertakings.

Of these amounts, £2,106,667 (2019 - £2,458,333) are secured by fixed and floating charges over the assets of certain Group companies. Residual amounts totalling £590,000 (2019 - £875,000) are unsecured. Further details of these amounts are included in notes 20 and 21.

Interest of £169,461 (2019 - £292,822) was charged on these loans during the year and is included in other loan interest payable.

Rents totalling £188,000 (2019 - £170,000) were paid in the year by subsidiary companies to a limited liability partnership in which certain directors of the parent company ultimately hold interests. There were no amounts outstanding at either balance sheet date.

Rents totalling £50,000 (2019 - £50,000) were paid in the year by a subsidiary company to a company in which a director of the subsidiary undertaking holds an interest. There were no amounts outstanding at either balance sheet date.

Key management of group companies received total remuneration of £1,506,924 (2019 - £1,476,696).

#### 32. Controlling party

The Company's immediate parent company is Pemberstone Ventures Holdings Limited.

At 31 December 2020 the largest group in which the results of the Group are consolidated is that headed by Pemberstone Ventures Holdings Limited, a company incorporated in England and Wales.

The smallest group in which the results of the Group are consolidated is that headed by Pemberstone Ventures Limited, a company incorporated in England and Wales.

The registered office of Pemberstone Ventures Holdings Limited is Whittington Hall, Whittington Road, Worcester, WR5 2ZX.

The ultimate controlling party is considered to be Pemberstone Ventures Holdings Limited.