

**Company Registration No. 10813953 (England and Wales)**

**MONODRAUGHT TOPCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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# MONODRAUGHT TOPCO LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N J Hopper	
	A J McCubbin	
	E Wilson	
	J Earl	(Appointed 27 May 2020)
<b>Company number</b>	10813953	
<b>Registered office</b>	Halifax House	
	Cressex Business Park	
	High Wycombe	
	Buckinghamshire	
	United Kingdom	
<b>Auditor</b>	HP12 3SE	
	Haines Watts	
	Suite G02 Aston Court	
	Kingsmead Business Park	
	Frederick Place	
	High Wycombe	
	Buckinghamshire	
	United Kingdom	
	HP11 1JU	

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# **MONODRAUGHT TOPCO LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Profit and loss account	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	14
Notes to the financial statements	15 - 30

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# **MONODRAUGHT TOPCO LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

### **Principal activities**

The principal activity of the group is that of development, design, sales, production, installation and maintenance of sustainable ventilation, cooling, heating and lighting solutions which minimise our customers carbon footprint.

### **Review of the business**

The financial year 2020 was uniquely challenging requiring the group to demonstrate both dynamism and resilience. As the country entered shut down due to COVID-19 and the global pandemic disrupted supply chains, the group continued to serve its customers, maintaining supply throughout. Despite the market difficulties, the group resolved to continue to focus on its strategy to build market share through continuing investment in both people, marketing and new product research and development. These goals were achieved and in testament to the exceptional commitment of employees, a successful financial year was delivered with growth in both turnover and PAT.

The group's continued intent is to maintain its market leadership position in the education market whilst building its presence in other sectors, particularly commercial office and healthcare. Significant investments in R&D are continuing to be made, expanding the product portfolio during the financial year and enabling expansion into the targeted sectors.

The group has many well established, high quality customers and believe that, in spite of near term difficulties from both COVID-19 and BREXIT, positive underlying market drivers including the climate change challenge and regulatory responses are supporting the future growth prospects of the business.

### **Performance**

COVID-19 and the uncertainties surrounding BREXIT presented the group with unprecedented challenges which were successfully navigated demonstrating the inherent resilience of the business. The year's continued performance of strong, consistent organic growth aligned with the strategy of bringing new low carbon hybrid ventilation and mechanical cooling products to market enabled the pipeline and order book to again reach record levels. Whilst the group experienced a slowdown in the early stages of the national lockdown, as construction customers reappraised their working practices, sales rebounded strongly in the second half of the year. Overall demand for the group's products continued to grow over prior year resulting in a turnover increase of 8% and a profit after taxation increase of 7%.

### **People**

The health, safety and wellbeing of our employees is paramount. As the COVID-19 crisis evolved the group acted early to ensure that all employees who were able to move to remote working were enabled to do so. Production and installation remained fully operational throughout the entire year and all safety guidelines issued by the government were taken as minimum compliance and to be exceeded wherever feasible.

We are proud of our employees and their efforts to produce high quality products and services that reflect our brand image. In order to ensure the group has the necessary skills to perform in the future, significant investments continue to be made in employee development and recruitment.

# MONODRAUGHT TOPCO LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Financial risk management and policies

The group utilises borrowing, and the directors regularly review the exposure to interest risk in this respect. Liquidity risk is managed through forecasting future cash flow requirements and generating sufficient cash flows from operational activities to meet the day-to-day cash requirements as well as funding the repayment of the group's long term borrowings.

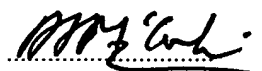
### Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods and services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by robust credit control processes, client acceptance procedures and close management of on-going customer relationships.

### Outlook

Market conditions are expected to remain challenging but the group is optimistic about maintaining its growth trajectory. Our business performance is strong and we believe this will continue in the coming year. Raw material cost increases and supply shortages, as a result of global supply chain pressures, are impacting the business and are expected to continue throughout 2021. Immediate and longer term mitigating actions are being taken where necessary. These uncertainties are included in our planning and decision making and we remain confident that we will continue to deliver excellent products and services to our customers.

On behalf of the board



A J McCubbin

Director



# MONODRAUGHT TOPCO LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N J Hopper

A J McCubbin

M I Nunny

(Resigned 27 May 2020)

E Wilson

J Earl

(Appointed 27 May 2020)

#### Results and dividends

The results for the year are set out on page 9.

An interim dividend of £Nil was paid to the ordinary shareholders (2019: £4,000).

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Auditor

Haines Watts were appointed as auditor to the company in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor in the company is aware of that information.

On behalf of the board



A J McCubbin

Director

Date: 08th July 2021

# **MONODRAUGHT TOPCO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements 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 and company will continue in business.

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

# MONODRAUGHT TOPCO LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MONODRAUGHT TOPCO LIMITED

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#### Opinion

We have audited the financial statements of Monodraught Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The directors' view on the impact of COVID-19 is disclosed on the accounting policies note 1.3.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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.



# **MONODRAUGHT TOPCO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MONODRAUGHT TOPCO LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

# **MONODRAUGHT TOPCO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MONODRAUGHT TOPCO LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

During the audit we identify and assess the risk of material misstatements of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud and error; and to respond appropriately to those risks.

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operates. We determined that the following laws and regulations were most significant: The Companies Act 2006, UK GAAP, UK corporate tax laws and the Data Protection Act.
- We obtained an understanding of how the company are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations.
- We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies and also obtained management representations regarding compliance with applicable laws and regulations.

Audit procedures performed by the audit team included:

- Identifying and assessing the controls management has in place to prevent and detect fraud, including the existence of supervisory controls;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process including the existence of monthly management accounts review process;
- Challenging assumptions and judgements made by management in its significant accounting estimates and judgements, (in particular in relation to amortisation, depreciation, validity of inter-group balances and accruals);
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are 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 collusions. There is always the unavoidable risk that material misstatements in the financial statements may not be detected despite the audit being properly performed in accordance with UK Auditing standards.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# MONODRAUGHT TOPCO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MONODRAUGHT TOPCO LIMITED

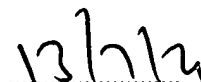
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#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Gary A Heywood (Senior Statutory Auditor)**  
**For and on behalf of Haines Watts**  
**Chartered Accountants**  
**Statutory Auditor**



Suite G02 Aston Court  
Kingsmead Business Park  
Frederick Place  
High Wycombe  
Buckinghamshire  
United Kingdom  
HP11 1JU

# MONODRAUGHT TOPCO LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Turnover		12,220,552	11,333,117
Cost of sales		(7,821,086)	(6,838,864)
<b>Gross profit</b>		<b>4,399,466</b>	<b>4,494,253</b>
Administrative expenses		(4,261,712)	(4,063,830)
Other operating income		214,441	51,785
<b>Operating profit</b>	<b>3</b>	<b>352,195</b>	<b>482,208</b>
Interest payable and similar expenses	<b>7</b>	(314,502)	(304,739)
<b>Profit before taxation</b>		<b>37,693</b>	<b>177,469</b>
Tax on profit	<b>9</b>	180,091	25,063
<b>Profit for the financial year</b>		<b>217,784</b>	<b>202,532</b>

Profit for the financial period is all attributable to the owners of the parent company.

There are no recognised gains and losses other than those passing through the profit and loss account.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

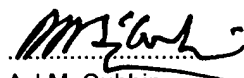
# MONODRAUGHT TOPCO LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Goodwill	10	379,255		437,602	
Other intangible assets	10	890,049		737,997	
Intangible assets		1,269,304		1,175,599	
Tangible assets	11	429,087		333,120	
		1,698,391		1,508,719	
<b>Current assets</b>					
Stocks	14	943,964		950,456	
Debtors	15	3,005,805		3,230,500	
Cash at bank and in hand		959,853		226,500	
		4,909,622		4,407,456	
<b>Creditors: amounts falling due within one year</b>	16	(2,178,324)		(1,960,895)	
<b>Net current assets</b>		2,731,298		2,446,561	
<b>Total assets less current liabilities</b>		4,429,689		3,955,280	
<b>Creditors: amounts falling due after more than one year</b>	17	(3,536,601)		(3,319,865)	
<b>Provisions for liabilities</b>	19	(140,135)		(100,246)	
<b>Net assets</b>		752,953		535,169	
<b>Capital and reserves</b>					
Called up share capital	22	339,998		339,998	
Profit and loss reserves	23	412,955		195,171	
<b>Total equity</b>		752,953		535,169	

The financial statements were approved by the board of directors and authorised for issue on 8/1/21 and are signed on its behalf by:

  
A J McCubbin  
Director

# MONODRAUGHT TOPCO LIMITED

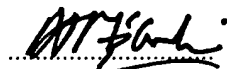
## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	12		1		1
<b>Current assets</b>					
Debtors	15	339,997		339,997	
<b>Net current assets</b>			339,997		339,997
<b>Total assets less current liabilities</b>			<u>339,998</u>		<u>339,998</u>
<b>Capital and reserves</b>					
Called up share capital	22		<u>339,998</u>		<u>339,998</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £nil (2019: £nil).

The financial statements were approved by the board of directors and authorised for issue on 2/7/20 and are signed on its behalf by:



A J McCubbin  
Director

Company Registration No. 10813953

# MONODRAUGHT TOPCO LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

		Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		339,998	(3,361)	336,637
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	202,532	202,532
Dividends	8	-	(4,000)	(4,000)
<b>Balance at 31 December 2019</b>		339,998	195,171	535,169
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	217,784	217,784
<b>Balance at 31 December 2020</b>		339,998	412,955	752,953

# MONODRAUGHT TOPCO LIMITED

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

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		339,998	-	339,998
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	4,000	4,000
Dividends	8	-	(4,000)	(4,000)
<b>Balance at 31 December 2019</b>		339,998	-	339,998
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	-	-
<b>Balance at 31 December 2020</b>		339,998	-	339,998



# MONODRAUGHT TOPCO LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	995,607		502,740	
Interest paid		(163,403)		(162,534)	
Income taxes refunded		262,989		-	
<b>Net cash inflow from operating activities</b>		<b>1,095,193</b>		<b>340,206</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(307,554)		(185,918)	
Proceeds on disposal of intangibles		-		1,868	
Purchase of tangible fixed assets		(206,847)		(211,782)	
Proceeds on disposal of tangible fixed assets		-		1,000	
<b>Net cash used in investing activities</b>		<b>(514,401)</b>		<b>(394,832)</b>	
<b>Financing activities</b>					
Bank loan receipts/ (repayments)		152,561		(193,287)	
Dividends paid to equity shareholders		-		(4,000)	
<b>Net cash generated from/(used in) financing activities</b>		<b>152,561</b>		<b>(197,287)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>733,353</b>		<b>(251,913)</b>	
Cash and cash equivalents at beginning of year		226,500		478,413	
<b>Cash and cash equivalents at end of year</b>		<b>959,853</b>		<b>226,500</b>	

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Monodraught Topco Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is Halifax House, Cressex Business Park, High Wycombe, Bucks, United Kingdom, HP12 3SE.

The group consists of Monodraught Topco Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated group financial statements consist of the financial statements of the parent company Monodraught Topco Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

The financial statements have been prepared on a going concern basis. The directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

##### Sale of goods

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

##### Rendering of services

Revenue arising from manufacture and installation of products is recognised based on the stage of project completion and in proportion to costs incurred. Upon successful installation and testing of the manufactured system on site, final income is recognised.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. The useful economic lives of intangible assets are as follows:

Product certifications & development costs	10% to 20% per annum on a straight line basis
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# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% per annum on a straight line basis.
Fixtures, fittings & equipment	15% - 33% per annum on a straight line basis.
Motor vehicles	25% per annum on a straight line basis.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit and loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.11 Stocks

Stocks are valued at the lower of cost and net realisable value. Costs include all costs incurred in bringing each product to its present location and condition. Cost comprises of direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### 1.12 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss is measured at fair value.

#### ***Other financial liabilities***

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.15 Taxation

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

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.16 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **1.17 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.18 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.19 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **1.20 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

The directors' judgement is applied when calculating the warranty and dilapidations provisions.

### 3 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	15,117	13,199
Research and development costs	171,628	236,629
Government furlough scheme	(211,773)	-
Depreciation of owned tangible fixed assets	110,880	102,733
Loss on disposal of tangible fixed assets	-	531
Amortisation of intangible assets	213,849	186,764
Operating lease charges	206,581	214,713

### 4 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	7,400	7,160
Audit of the financial statements of the company's subsidiaries	10,600	10,300
Other audit services	1,500	-
	<u>19,500</u>	<u>17,460</u>



# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2020 Number	2019 Number
Senior management (including directors)	11	11
Administration	48	44
Production	35	31
	<u>94</u>	<u>86</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,948,410	3,268,069
Social security costs	319,174	279,670
Pension costs	168,217	158,288
	<u>4,435,801</u>	<u>3,706,027</u>

### 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	251,158	229,480
Company pension contributions to defined contribution schemes	35,965	36,765
	<u>287,123</u>	<u>266,245</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	137,287	122,266
Company pension contributions to defined contribution schemes	21,659	22,893
	<u>158,946</u>	<u>145,159</u>

# MONODRAUGHT TOPCO LIMITED

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

### 7 Interest payable and similar expenses

	2020 £	2019 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	15,952	23,781
Interest on redeemable loan notes	298,550	280,958
	<u>314,502</u>	<u>304,739</u>

### 8 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Interim paid	-	4,000
	<u>-</u>	<u>4,000</u>

### 9 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(12,384)
Adjustments in respect of prior periods	(214,305)	(36,300)
Total current tax	<u>(214,305)</u>	<u>(48,684)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>34,214</u>	<u>23,621</u>
Total tax credit	<u>(180,091)</u>	<u>(25,063)</u>

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	37,693	177,469
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	7,162	33,719
Tax effect of expenses that are not deductible in determining taxable profit	745	83,124
Tax effect of income not taxable in determining taxable profit	(3,680)	-
Adjustments in respect of prior years	(214,305)	(36,300)
Deferred tax charge	34,214	23,621
Losses carried forward	7,632	-
R&D expenditure	-	(103,959)
R&D claim	-	(12,384)
Patent box	(11,859)	(12,884)
Taxation credit	(180,091)	(25,063)

#### 10 Intangible fixed assets

Group	Goodwill £	Product certifications and software development £	Total £
<b>Cost</b>			
At 1 January 2020	583,469	1,012,137	1,595,606
Additions	-	307,554	307,554
At 31 December 2020	583,469	1,319,691	1,903,160
<b>Amortisation and impairment</b>			
At 1 January 2020	145,867	274,140	420,007
Amortisation charged for the year	58,347	155,502	213,849
At 31 December 2020	204,214	429,642	633,856
<b>Carrying amount</b>			
At 31 December 2020	379,255	890,049	1,269,304
At 31 December 2019	437,602	737,997	1,175,599

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

# MONODRAUGHT TOPCO LIMITED

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

### 11 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	254,758	261,998	43,389	560,145
Additions	148,096	39,962	18,789	206,847
At 31 December 2020	402,854	301,960	62,178	766,992
<b>Depreciation and impairment</b>				
At 1 January 2020	139,612	79,791	7,622	227,025
Depreciation charged in the year	40,326	51,996	18,558	110,880
At 31 December 2020	179,938	131,787	26,180	337,905
<b>Carrying amount</b>				
At 31 December 2020	222,916	170,173	35,998	429,087
At 31 December 2019	115,146	182,207	35,767	333,120

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

### 12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	-	-	1	1

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Monodraught Holdings Limited	England and Wales	Ordinary	100.00
Monodraught Limited*	England and Wales	Ordinary	100.00

\*Held indirectly.

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	943,964	950,456	-	-

### 15 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,053,348	2,455,271	-	-
Corporation tax recoverable	-	48,684	-	-
Amounts owed by group undertakings	-	-	339,997	339,997
Other debtors	563,685	502,808	-	-
Prepayments and accrued income	388,772	223,737	-	-
	3,005,805	3,230,500	339,997	339,997

### 16 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	18	280,212	193,286	-	-
Trade creditors		927,972	988,802	-	-
Other taxation and social security		557,259	331,762	-	-
Other creditors		412,881	447,045	-	-
		2,178,324	1,960,895	-	-

### 17 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Redeemable loans		3,137,420	2,986,321	-	-
Bank loans	18	399,181	333,544	-	-
		3,536,601	3,319,865	-	-

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 18 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	679,393	526,830	-	-
Payable within one year	280,212	193,286	-	-
Payable within 2-5 years	359,019	333,544	-	-
Payable more than 5 years	40,162	-	-	-

The bank loans are secured by fixed and floating charges over all of the assets within the group of Monodraught Topco Limited.

Included within long term creditors are loan notes of £3,137,420 (2019: £2,986,321) which are repayable between 30 June 2022 and 31 December 2023 and incur interest at 10% per annum.

Included in the above bank loans is an amount of £250,000 which relates to Coronavirus Business Interruption Loan. No repayments are due for the first 12 months and the loans are interest-free for the group for this period, as the UK Government is covering the interest for this time.

### 19 Provisions for liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Other provisions		100,063	94,388	-	-
Deferred tax liabilities	20	40,072	5,858	-	-
		140,135	100,246	-	-

Other provisions are represented by a warranty provision of £70,063 (2019: £64,388) and a dilapidation provision of £30,000 (2019: £30,000). The closing warranty provision of £70,063 (2019: £64,388) is after provision utilisation in the year of £2,235 (2019: £7,260) and a current year charge of £7,910 (2019: £11,506). The warranty provision is expected to be utilised within four years. The dilapidation provision is expected to be utilised within five years.

# MONODRAUGHT TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
<b>Group</b>		
Accelerated capital allowances	40,072	5,858
	<b>Group 2020 £</b>	<b>Company 2020 £</b>
<b>Movements in the year:</b>		
Liability at 1 January 2020	5,858	-
Charge to profit or loss	34,214	-
Liability at 31 December 2020	40,072	-

### 21 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	168,217	158,288

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# MONODRAUGHT TOPCO LIMITED

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

### 22 Share capital

	Group and company	
	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
55,002 Ordinary shares of £1 each	55,002	55,002
39,998 A Ordinary shares of £1 each	39,998	39,998
5,000 B Ordinary shares of £1 each	5,000	5,000
	<u>100,000</u>	<u>100,000</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
239,998 Preference shares of £1 each	<u>239,998</u>	<u>239,998</u>

### 23 Profit and loss reserves

Profit and loss account - includes all current and prior period retained profits and losses.

### 24 Operating lease commitments

#### Lessee

At the reporting end date the group and company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	254,307	263,965	-	-
Between two and five years	636,456	846,734	-	-
	<u>890,763</u>	<u>1,110,699</u>	<u>-</u>	<u>-</u>



# MONODRAUGHT TOPCO LIMITED

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

### 25 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	217,784	202,532
Adjustments for:		
Taxation credited	(180,091)	(25,063)
Finance costs	314,502	304,739
Loss on disposal of tangible fixed assets	-	531
Amortisation and impairment of intangible assets	213,849	186,764
Depreciation and impairment of tangible fixed assets	110,880	102,733
Pension scheme non-cash movement	(1,891)	(2,158)
Increase in provisions	5,675	4,246
Movements in working capital:		
Decrease/(increase) in stocks	6,492	(239,717)
Decrease in debtors	177,902	302,037
Increase/(decrease) in creditors	130,504	(333,908)
<b>Cash generated from operations</b>	<b>995,606</b>	<b>502,736</b>