

Registered number: 11442710

CHAPLIN TOPCO LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020



## **CHAPLIN TOPCO LIMITED**

### **COMPANY INFORMATION**

|                            |   |
|----------------------------|---|
| <b>Directors</b>           | R Howard<br>L Zellan<br>C Hodges<br>T Leader<br>C Van Oostrum (appointed 24 September 2019)<br>D M Oatley (appointed 16 October 2020)<br>R T Pugh (appointed 16 October 2020) |
| <b>Company secretary</b>   | D M Oatley (appointed 16 October 2020)  |
| <b>Registered number</b>   | 11442710  |
| <b>Registered office</b>   | 1 Cooke Close<br>Thurmaston<br>Leicester<br>LE4 8PT   |
| <b>Independent auditor</b> | Cooper Parry Group Limited<br>Chartered Accountants & Statutory Auditor<br>Sky View<br>Argosy Road<br>East Midlands Airport<br>Castle Donington<br>Derby<br>DE74 2SA          |

## **CHAPLIN TOPCO LIMITED**

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## **CHAPLIN TOPCO LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020**

#### **Introduction**

The principal activity of the company is that of an investment holding company and the principal activity of its trading subsidiaries is the design, manufacture and distribution of high quality lenses for the film and television industries.

#### **Business review**

The results for the group show a loss on ordinary activities before taxation of £10,408,312 (2019: £2,068,716). This includes a charge for the amortisation of goodwill and other intangible assets of £10,586,877 (2019: £10,586,877). The directors view EBITDA as the most relevant measure of performance. EBITDA for the year was £1,904,502 (2019: £10,173,002). The business experienced a significant reduction in revenue during the last quarter of the financial year as a result of the Coronavirus pandemic. Revenue has since returned to previous levels. The results for the year were also impacted by a significant increase in the stock provision to £5,113,048 (2019: £109,177) which was established in response to changes in demand patterns with customers favouring full frame lens formats over Super 35 lenses. Demand for lenses remains strong and continues to exceed capacity, as a result of which the company has a very substantial order book. In order to maintain its premier position in the industry, the company continues to invest heavily in research and development activities.

#### **Principal risks and uncertainties**

The business has a risk management process to identify, evaluate, manage and mitigate significant risks. The risk register is regularly reviewed by management and there is executive ownership of each risk and mitigation plan.

#### **Covid Risk**

In March 2020, there was an outbreak of Coronavirus which has developed into a global pandemic. The impact of this on all businesses in the short term was an increase in uncertainty over the future trading prospects and cashflows. In our industry in particular COVID-19 has slowed the delivery of stock. At the date of signing these accounts, the directors have considered the effect on the company with the information available to them and do not believe it will affect the company's ability to continue to trade for the foreseeable future. See note 1.3 for further details. Further outbreaks of the virus would have a detrimental affect on the company's working practices, supply chains and the film and TV industries which the company services. The Directors have and will continue to follow the Health & Safety guidelines as laid out by the Government to ensure that the company minimises the risk of spreading the infection.

#### **Market competition risk**

The market for our products continues to expand with a number of television productions electing to use film style cameras and lenses to tell their stories. This has led to a number of new entrants to the market which can only increase the competitive environment. The group seeks to promote its market share by the constant development of new and innovative products.

#### **Credit and currency risk**

Most of our sales require payment prior to shipping and are invoiced in sterling. Our suppliers comprise both UK and overseas companies. In the case of overseas suppliers most are dollar based. Because of the existence of our US based subsidiary, Cooke Americas Limited, we have a natural hedge against dollar exposure. The group does not therefore need to have hedging arrangements in respect to trade debtors or creditors and does not consider credit risk to be a major concern.

## CHAPLIN TOPCO LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

#### Liquidity risk

The group is not reliant on overdraft facilities from its bank and therefore the directors do not believe there to be a cash flow and liquidity risk. At the period end the group had cash balances of £6,604,618 (2019: £9,792,719). The group has entered into an agreement to act as guarantors for the borrowings of Chaplin Topco Limited, Chaplin Midco Limited, Chaplin Bidco Limited, Cooke Optics Group Limited, Cooke Optics Holdings Limited and Cooke Optics Limited.

#### Labour risk

The group is reliant on a skilled workforce and any significant reduction would have a material adverse effect on profitability. The group mitigates this risk by ensuring that it maintains competitive pay rates, ensuring comprehensive training of new employees and maintaining an apprentice training scheme.

#### Financial key performance indicators

The board monitors the performance of the group by reference to the following KPIs:

|                               | 2020        | 2019        |
|-------------------------------|-------------|-------------|
| Sales                         | £21,078,804 | £28,122,025 |
| Gross Margin                  | 36.4%       | 60.5%       |
| EBITDA before stock provision | £6,908,372  | £10,173,002 |
| EBITDA after stock provision  | £1,904,502  | £10,173,002 |
| Employees                     | 133         | 134         |

The board is satisfied with the group's performance.

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



**R Howard**  
Director

Date: 28 October 2020

## **CHAPLIN TOPCO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

The directors present their report and the financial statements for the year ended 30 June 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 loss for the year, after taxation, amounted to £10,408,312 (2019: loss £2,068,716).

During the year the directors declared a dividend of £8,000,000 (2019: £Nil)

#### **Directors**

The directors who served during the year are stated on the company information page.

#### **Future developments**

The directors will continue to develop the Cooke Optics products in order to ensure that they advance in line with changes in technology. It is anticipated that along with existing management policies there will be an effective response to the challenges of the future.

#### **Financial instruments**

The group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds to finance the company's operations. The group's approach to managing risks applicable to the financial instruments is detailed below:

- Trade debtors are managed through credit and cash flow risk by assessing the terms offered to customers and the regular monitoring of amounts outstanding at a given time.
- Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet liabilities as they fall due.
- The group's bank accounts are monitored to ensure the group has sufficient funds to meet their current commitments, no use of overdraft facilities has been required.

**CHAPLIN TOPCO LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**Research and development activities**

The group has continued to invest heavily in research and development throughout the year. This is an essential part of the group's activities and due to continuous changes in technology is necessary for the future development of the company's products.

**Engagement with suppliers, customers and others**

The business values its relationships with its key stakeholders, placing a high reliance on integrity. Our suppliers are paid on time, our customer relationships are long term in nature and closely monitored.

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

**Post balance sheet events**

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

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



**R Howard**  
Director

Date: *28 October 2020*

## **CHAPLIN TOPCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAPLIN TOPCO LIMITED**

#### **Opinion**

We have audited the financial statements of Chaplin Topco Limited (the 'company') and its subsidiaries (the 'group') for the year ended 30 June 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, the group Analysis of Net Debt 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 30 June 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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**

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

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



## **CHAPLIN TOPCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAPLIN TOPCO LIMITED (CONTINUED)**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

## CHAPLIN TOPCO LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAPLIN TOPCO LIMITED (CONTINUED)

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

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

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

#### Use of our report

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.

*Cooper Parry Group Limited*

Peter Sterling (Senior statutory auditor)

for and on behalf of

**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: *28 October 2020*

CHAPLIN TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020

|  | Note | 2020<br>£                  | 2019<br>£                 |
|--|------|----------------------------|---------------------------|
| <b>Turnover</b>                                    | 3    | 21,078,804                 | 28,122,025                |
| Cost of sales                                      |      | (13,414,380)               | (11,108,151)              |
| <b>Gross profit</b>                                |      | <u>7,664,424</u>           | <u>17,013,874</u>         |
| Administrative expenses                            |      | (6,449,123)                | (7,339,691)               |
| Amortisation of goodwill                           |      | (10,586,877)               | (10,586,877)              |
| Total administrative expenses                      |      | <u>(17,036,000)</u>        | <u>(17,926,568)</u>       |
| Other operating income                             | 4    | <u>338,300</u>             | <u>204,178</u>            |
| <b>Operating loss</b>                              | 5    | <u>(9,033,276)</u>         | <u>(708,516)</u>          |
| Interest receivable and similar income             |      | 44,188                     | 40,025                    |
| Interest payable and similar expenses              | 8    | (1,708,241)                | (1,643,456)               |
| <b>Loss on ordinary activities before taxation</b> |      | <u>(10,697,329)</u>        | <u>(2,311,947)</u>        |
| Taxation on loss on ordinary activities            | 9    | <u>289,017</u>             | <u>243,231</u>            |
| <b>Loss for the financial year</b>                 |      | <u><u>(10,408,312)</u></u> | <u><u>(2,068,716)</u></u> |
| Currency translation differences                   |      | 51,446                     | 66,945                    |
| <b>Total Comprehensive Loss for the Year</b>       |      | <u><u>(10,408,312)</u></u> | <u><u>(2,068,716)</u></u> |

There were no recognised gains and losses for 2020 or 2019 other than those included in the Consolidated Statement of Comprehensive Income.

The notes on pages 16 to 38 form part of these financial statements.

**CHAPLIN TOPCO LIMITED**  
**REGISTERED NUMBER: 11442710**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2020**

|  | Note | 2020<br>£                | 2019<br>£                |
|--|------|--------------------------|--------------------------|
| <b>Fixed assets</b>  |      |                          |                          |
| Intangible fixed assets  | 10   | 78,919,340               | 88,729,963               |
| Tangible assets  | 11   | 2,974,685                | 2,533,073                |
|  |      | <u>81,894,025</u>        | <u>91,263,036</u>        |
| <b>Current assets</b>  |      |                          |                          |
| Stocks   | 13   | 7,306,570                | 10,549,526               |
| Debtors  | 14   | 1,142,318                | 1,956,961                |
| Cash at bank and in hand                                       |      | 6,604,618                | 9,792,719                |
|  |      | <u>15,053,506</u>        | <u>22,299,206</u>        |
| <b>Creditors: amounts falling due within one year</b>          | 15   | <u>(7,832,140)</u>       | <u>(6,228,930)</u>       |
| <b>Net current assets</b>                                      |      | <u>7,221,366</u>         | <u>16,070,276</u>        |
| <b>Total assets less current liabilities</b>                   |      | <u>89,115,391</u>        | <u>107,333,312</u>       |
| <b>Creditors: amounts falling due after more than one year</b> | 16   | <u>(30,075,147)</u>      | <u>(29,657,320)</u>      |
| <b>Provisions for liabilities</b>                              |      |                          |                          |
| Deferred taxation  | 18   | <u>(8,301,109)</u>       | <u>(8,579,991)</u>       |
| <b>Net assets</b>  |      | <u><u>50,739,135</u></u> | <u><u>69,096,001</u></u> |
| <b>Capital and reserves</b>                                    |      |                          |                          |
| Called up share capital  | 19   | 892                      | 892                      |
| Share premium account  | 20   | 70,704,572               | 70,704,572               |
| Capital redemption reserve                                     | 20   | 392,308                  | 392,308                  |
| Foreign exchange reserve                                       | 20   | 118,391                  | 66,945                   |
| Profit and loss account  | 20   | <u>(20,477,028)</u>      | <u>(2,068,716)</u>       |
| <b>Shareholders' funds</b>                                     |      | <u><u>50,739,135</u></u> | <u><u>69,096,001</u></u> |

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



**R Howard**  
Director

Date: *28 October 2020*

The notes on pages 16 to 38 form part of these financial statements.

**CHAPLIN TOPCO LIMITED**  
**REGISTERED NUMBER: 11442710**

**COMPANY BALANCE SHEET**  
**AS AT 30 JUNE 2020**

|   | Note | 2020<br>£         | 2019<br>£          |
|---|------|-------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                   |                    |
| Investments   | 12   | 75,872,263        | 75,872,263         |
|   |      | <u>75,872,263</u> | <u>75,872,263</u>  |
| <b>Current assets</b>                                 |      |                   |                    |
| Debtors   | 14   | 14,833,202        | 377,168            |
| Cash at bank and in hand                              |      | 52,664            | 12,170             |
|   |      | <u>14,885,866</u> | <u>389,338</u>     |
| <b>Creditors: amounts falling due within one year</b> | 15   | (8,028,790)       | (5,545,246)        |
| <b>Net current assets/(liabilities)</b>               |      | <u>6,857,076</u>  | <u>(5,155,908)</u> |
| <b>Net assets</b>                                     |      | <u>82,729,339</u> | <u>70,716,355</u>  |
| <b>Capital and reserves</b>                           |      |                   |                    |
| Called up share capital                               | 19   | 892               | 892                |
| Share premium account                                 | 20   | 70,704,573        | 70,704,573         |
| Profit and loss account                               | 20   | 12,023,874        | 10,890             |
| <b>Shareholders' funds</b>                            |      | <u>82,729,339</u> | <u>70,716,355</u>  |

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

  
**R Howard**  
 Director

Date: *28 October 2020*

The notes on pages 16 to 38 form part of these financial statements.

**CHAPLIN TOPCO LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

|                                  | <b>Called<br/>up share<br/>capital</b> | <b>Share<br/>premium<br/>account</b> | <b>Capital<br/>contribution<br/>reserve</b> | <b>Foreign<br/>exchange<br/>reserve</b> | <b>Profit and<br/>loss account</b> | <b>Total equity</b> |
|----------------------------------|--|--------------------------------------|---|---|------------------------------------|---------------------|
|                                  | £                                      | £                                    | £   | £                                       | £                                  | £                   |
| At 1 July 2019                   | 892                                    | 70,704,572                           | 392,308                                     | 66,945                                  | (2,068,716)                        | 69,096,001          |
| Loss for the year                | -                                      | -                                    | -   | -                                       | (10,408,312)                       | (10,408,312)        |
| Foreign exchange gain            | -                                      | -                                    | -   | 51,446                                  | -                                  | 51,446              |
| Dividends paid on equity capital | -                                      | -                                    | -   | -                                       | (8,000,000)                        | (8,000,000)         |
| <b>At 30 June 2020</b>           | <b>892</b>                             | <b>70,704,572</b>                    | <b>392,308</b>                              | <b>118,391</b>                          | <b>(20,477,028)</b>                | <b>50,739,135</b>   |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

|                                 | <b>Called up<br/>share<br/>capital</b> | <b>Share<br/>premium<br/>account</b> | <b>Capital<br/>redemption<br/>reserve</b> | <b>Foreign<br/>exchange<br/>reserve</b> | <b>Profit and<br/>loss<br/>account</b> | <b>Total equity</b> |
|---------------------------------|--|--------------------------------------|---|---|--|---------------------|
|                                 | £                                      | £                                    | £   | £                                       | £                                      | £                   |
| At 1 July 2018                  | -                                      | -                                    | 392,308                                   | -                                       | -                                      | 392,308             |
| Loss for the period             | -                                      | -                                    | -   | -                                       | (2,068,716)                            | (2,068,716)         |
| Foreign exchange gain           | -                                      | -                                    | -   | 66,945                                  | -                                      | 66,945              |
| Shares issued during the period | 892                                    | 70,704,572                           | -   | -                                       | -                                      | 70,705,464          |
| <b>At 30 June 2019</b>          | <b>892</b>                             | <b>70,704,572</b>                    | <b>392,308</b>                            | <b>66,945</b>                           | <b>(2,068,716)</b>                     | <b>69,096,001</b>   |

The notes on pages 16 to 38 form part of these financial statements.

**CHAPLIN TOPCO LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

|                                  | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£ |
|----------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------|
| At 1 July 2019                   | 892                             | 70,704,573                       | 10,890                          | 70,716,355        |
| Profit for the year              | -                               | -                                | 20,012,984                      | 20,012,984        |
| Dividends paid on equity capital | -                               | -                                | (8,000,000)                     | (8,000,000)       |
| <b>At 30 June 2020</b>           | <u>892</u>                      | <u>70,704,573</u>                | <u>12,023,874</u>               | <u>82,729,339</u> |

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

|                                 | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£ |
|---------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------|
| Profit for the period           | -                               | -                                | 10,890                          | 10,890            |
| Shares issued during the period | 892                             | 70,704,573                       | -                               | 70,705,465        |
| <b>At 30 June 2019</b>          | <u>892</u>                      | <u>70,704,573</u>                | <u>10,890</u>                   | <u>70,716,355</u> |

The notes on pages 16 to 38 form part of these financial statements.

CHAPLIN TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020<br>£          | 2019<br>£           |
|---|--------------------|---------------------|
| <b>Cash flows from operating activities</b>         |                    |                     |
| Loss for the financial year                         | (10,408,312)       | (2,068,716)         |
| <b>Adjustments for:</b>                             |                    |                     |
| Amortisation of intangible assets                   | 10,586,877         | 10,586,877          |
| Depreciation of tangible assets                     | 350,901            | 294,640             |
| Government grant - furlough income                  | (195,375)          | -                   |
| Interest paid                                       | 1,708,241          | 1,643,456           |
| Interest received                                   | (44,188)           | (40,025)            |
| Taxation charge                                     | (289,017)          | (243,231)           |
| Decrease/(increase) in stocks                       | 3,247,557          | (1,534,489)         |
| Decrease in debtors                                 | 174,315            | 842,793             |
| Decrease in creditors                               | (839,741)          | (651,370)           |
| Corporation tax received                            | 622,133            | 299,682             |
| <b>Net cash generated from operating activities</b> | <u>4,913,391</u>   | <u>9,129,617</u>    |
| <b>Cash flows from investing activities</b>         |                    |                     |
| Purchase of intangible fixed assets                 | (776,254)          | -                   |
| Purchase of tangible fixed assets                   | (792,513)          | (542,123)           |
| Purchase of subsidiaries net of cash acquired       | -                  | (66,492,767)        |
| Government grants received - furlough income        | 195,375            | -                   |
| Interest received                                   | 44,188             | 40,025              |
| Hire purchase interest paid                         | (7,456)            | (13,298)            |
| <b>Net cash from investing activities</b>           | <u>(1,336,660)</u> | <u>(67,008,163)</u> |



CHAPLIN TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020<br>£          | 2019<br>£         |
|---|--------------------|-------------------|
| <b>Cash flows from financing activities</b>                   |                    |                   |
| Issue of ordinary shares                                      | -                  | 62,500,000        |
| Repayment of bank loans                                       | -                  | (7,858,332)       |
| New secured loans   | 2,113,682          | 30,000,000        |
| Repayment of other loans                                      | -                  | (7,459,879)       |
| Repayment of finance leases                                   | (116,343)          | (126,233)         |
| Redeemed shares treated as debt                               | -                  | (7,729,045)       |
| Payment to raise debt finance                                 | -                  | (529,191)         |
| Dividends paid  | (8,000,000)        | -                 |
| Interest paid   | (801,395)          | (1,554,560)       |
| Capital contribution recieved                                 | -                  | 392,308           |
| <b>Net cash used in financing activities</b>                  | <b>(6,804,056)</b> | <b>67,635,068</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(3,227,325)</b> | <b>9,756,522</b>  |
| Cash and cash equivalents at beginning of year                | 9,792,719          | -                 |
| Foreign exchange gains and losses                             | 39,224             | 36,197            |
| <b>Cash and cash equivalents at the end of year</b>           | <b>6,604,618</b>   | <b>9,792,719</b>  |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                    |                   |
| Cash at bank and in hand                                      | 6,604,618          | 9,792,719         |

The notes on pages 16 to 38 form part of these financial statements.

CHAPLIN TOPCO LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 30 JUNE 2020

|  | At 1 July<br>2019<br>£ | Cash flows<br>£    | Other non-<br>cash<br>changes<br>£ | At 30 June<br>2020<br>£ |
|--|------------------------|--------------------|------------------------------------|-------------------------|
| Cash at bank and in hand                             | 9,792,719              | (3,188,101)        | -                                  | 6,604,618               |
| Other loans due after one year                       | (29,546,408)           | -                  | (448,561)                          | (29,994,969)            |
| Bank loans due within one year                       | -                      | (2,033,504)        | -                                  | (2,033,504)             |
| Bank loans due after one year                        | -                      | (80,178)           | -                                  | (80,178)                |
| Obligations under finance leases due within one year | (106,315)              | 116,343            | (110,912)                          | (100,884)               |
| Obligations under finance leases due after one year  | (110,912)              | -                  | 110,912                            | -                       |
|  | <u>(19,970,916)</u>    | <u>(5,185,440)</u> | <u>(448,561)</u>                   | <u>(25,604,917)</u>     |

The notes on pages 16 to 38 form part of these financial statements.

## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 1. Accounting policies

Chaplin Topco Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the group. The financial statements are for the 12 months ended 30 June 2020 (2019: for the 12 months ended 30 June 2019).

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 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 conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following policies have been applied consistently throughout the year:

##### 1.2 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 group financial statements are drawn up to 30 June each year. Where subsidiary undertakings are acquired or disposed of during the year the Consolidated Statement of Comprehensive Income includes their results only for the part of the year from, or to the date, on which control is passed.

The statutory financial year end for Cooke Americas Limited, a subsidiary company, is 30 August. For the purpose of these consolidated financial statements, interim accounts for the year ended 30 June have been prepared for Cooke Americas Limited. These interim accounts have been subject to review procedures deemed appropriate for the purposes of inclusion of the accounts within these consolidated financial statements.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit after tax of the parent company for the period was £20,012,982 (2019: £10,890).

##### 1.3 Coronavirus and going concern

At the time of signing these financial statements, the directors have considered the impact of the Coronavirus pandemic on the going concern position of the group. In the initial stages of the pandemic the group's production facility was closed for a short period of time before re opening in April. The group has taken advantage of the Coronavirus Job Retention Scheme as well as the facility to defer VAT and PAYE payments. Virtually all staff have now returned to full time work. Because of the group's strong balance sheet including cash reserves of £6,604,618 at the year end the group did not need to make any applications for any of the Government funded loan schemes available. The group has continued to trade profitably since the year end and detailed financial forecasts anticipate a satisfactory level of profit for the year ended 30 June 2021. Further, the group's principal debt is not due for repayment until August 2025. The forecasts prepared show an ability to operate comfortably within the funding facilities available to the group. On this basis the directors believe that it is appropriate that the financial statements are prepared on a going concern basis.

## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 1. Accounting policies (continued)

##### 1.4 Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the group and that the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### **Sale of goods**

Turnover 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 turnover 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.

##### 1.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

Government grants relate to the receipt of Coronavirus Job Retention Scheme income which is included within other operating income in the Consolidated Statement of Comprehensive Income.

## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 1. Accounting policies (continued)

##### 1.6 Intangible fixed 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 the 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 estimated useful economic life of 10 years.

###### 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.

All intangible assets are considered to have a finite useful life. The estimated useful lives range as follows:

|                    |   |          |
|--------------------|---|----------|
| Brand              | - | 30 years |
| Technology         | - | 10 years |
| Order Book         | - | 3 years  |
| Customer Relations | - | 10 years |

Other intangible assets arose upon the acquisition of the Cooke Optics Group in July 2018, and were established by a professional valuation of the assets acquired.

###### Development costs

Development costs in relation to new projects are initially capitalised and are amortised over their useful economic life. Amortisation will be charged from the point that the asset is considered to be available for use. Development costs are reviewed on an annual basis for evidence of impairment.

At each period end the directors consider the carrying value of all intangible assets for impairment.

## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 1. Accounting policies (continued)

##### 1.7 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on a straightline basis.

|                                  |   |                             |
|----------------------------------|---|-----------------------------|
| Freehold land and buildings      | - | Over 50 years               |
| Plant and machinery              | - | Variable over 2 to 10 years |
| Motor vehicles                   | - | Over 4 years                |
| Fixtures, fittings and equipment | - | Variable over 2 to 3 years  |

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.

At each balance sheet date, the group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items 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 the asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the Consolidated Statement of Comprehensive Income.

##### 1.8 Valuation of investments

Investments in subsidiaries are measured at cost and are reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the Consolidated Statement of Comprehensive Income and the value of the investment is reduced accordingly. Costs includes associated professional costs where appropriate.

##### 1.9 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 first in, first out 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 the Consolidated Statement of Comprehensive Income.

## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 1. Accounting policies (continued)

##### 1.10 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of 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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

##### 1.11 Research and development

Traditionally all research and development expenditure has been written off to the Consolidated Statement of Comprehensive Income under FRS 102.

The research and development policy was revised in the current year. External development costs in relation to new projects are now initially capitalised and are amortised over their useful economic life. Amortisation will be charged from the point that the asset is considered to be available for use. The directors have considered the change of the accounting policy on the research and development expenditure incurred in previous years. The impact on the accounts is considered to be immaterial and as such deemed unnecessary to restate the prior year figures.

Development costs are reviewed on an annual basis for evidence of impairment.

##### 1.12 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

##### 1.13 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.

##### 1.14 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of past events, it is probable that the group will be required to settle the 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 end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

In respect of warranties provided on the group's products, the directors review the position but in view of the low historical incidence of claims, do not make provision on the grounds of materiality.

1. Accounting policies (continued)

1.15 Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases 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 group. 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 the Consolidated Statement of Comprehensive Income so as to produce a constant rate of charge on the net obligation outstanding in each period.

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

1.16 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 the Consolidated Statement of Comprehensive Income 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.

1.17 Financial instruments

The group tends to only enter into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

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, 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.

1.18 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate. Costs incurred in the raising of debt are deducted from the finance raised and are amortised to the Consolidated Statement of Comprehensive Income over the life of the relevant debt facilities.



## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 1. Accounting policies (continued)

##### 1.19 Taxation

The tax charge for the period comprises current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current reporting period using the tax rates and law's that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax is provided on separately identifiable intangible assets recognised as part of a business combination.

## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Impairment of non-current assets**

The directors assess the impairment of property, plant and equipment and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors considered important that could trigger an impairment review include the following:

- Significant non performance relative to historical or projected future operating results;
- Significant changes in the use of the acquired assets or the business strategy; and
- Significant negative industry or economic trends.

##### **Depreciation, amortisation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed regularly and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

##### **Impairment of Intangible Assets**

The directors consider objective evidence to identify factors that may indicate that the intangible assets may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of other assets in the unit (group of units) on a pro rata basis.

Any impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **CHAPLIN TOPCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **2. Judgements in applying accounting policies (continued)**

##### **Impairment of investments**

The directors review the carrying value of investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the investment is subject to further testing to determine whether its carrying value exceeds the recoverable amount. The recoverable amount is defined as the higher of fair value and value in use as defined by FRS 102. This process will usually involve the estimation of future cash flows which are likely to be generated by the investment.

##### **Carrying value of stocks**

The directors review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experience and estimates of future events to assess future demand for the group's products and achievable selling prices.

##### **Recoverability of trade debtors**

Trade and other debtors are recognised to the extent that they are judged recoverable. Director reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors.

##### **Provisions**

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. External advice is sought where appropriate.

##### **Leases**

The directors determine whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

##### **Taxation**

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

# CHAPLIN TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 3. Turnover

The whole turnover is attributable to the group's principal activity.

Analysis of turnover by country of destination:

|                   | 2020<br>£         | 2019<br>£         |
|-------------------|-------------------|-------------------|
| Europe            | 7,830,452         | 9,299,059         |
| United States     | 6,091,469         | 9,374,207         |
| Rest of the world | 7,156,883         | 9,448,759         |
|                   | <u>21,078,804</u> | <u>28,122,025</u> |

### 4. Other operating income

|                                     | 2020<br>£      | 2019<br>£      |
|-------------------------------------|----------------|----------------|
| Research and development tax credit | 142,925        | 204,178        |
| Government grants - furlough income | 195,375        | -              |
|                                     | <u>338,300</u> | <u>204,178</u> |

### 5. Operating loss

The operating loss is stated after charging/(crediting):

|  | 2020<br>£           | 2019<br>£           |
|--|---------------------|---------------------|
| Research & development charged as an expense   | 675,202             | 1,701,487           |
| Depreciation of tangible fixed assets owned by the group                                   | 281,793             | 225,433             |
| Depreciation of tangible fixed assets held under finance lease                             | 69,108              | 69,207              |
| Amortisation of intangible fixed assets  | 10,586,877          | 10,586,877          |
| Fees payable to the group auditor for the audit of the group's annual financial statements | 39,000              | 45,000              |
| Stock provision (See note 13)  | 5,113,048           | 56,794              |
| Exchange differences   | 66,271              | (56,758)            |
| Operating leases rentals   | 97,507              | 107,702             |
|  | <u>(16,601,250)</u> | <u>(12,633,854)</u> |

Fees payable to the company's auditor for the audit of the company's financial statements are borne by the subsidiary undertakings.

# CHAPLIN TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 6. Employees

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

|                       | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|-----------------------|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries    | 4,445,013          | 4,969,545          | -                    | -                    |
| Social security costs | 419,404            | 437,105            | -                    | -                    |
| Pension scheme costs  | 237,490            | 308,973            | -                    | -                    |
|                       | <u>5,101,907</u>   | <u>5,715,623</u>   | <u>-</u>             | <u>-</u>             |

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

|   | Group<br>2020<br>No. | Group<br>2019<br>No. | Company<br>2020<br>No. | Company<br>2019<br>No. |
|---|----------------------|----------------------|------------------------|------------------------|
| Administration and research and development | 30                   | 27                   | 2                      | 2                      |
| Manufacturing                               | 104                  | 107                  | -                      | -                      |
|   | <u>134</u>           | <u>134</u>           | <u>2</u>               | <u>2</u>               |

The employees of Chaplin Topco Limited are remunerated through other group companies.

### 7. Directors' remuneration

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Directors' emoluments   | 505,155        | 475,089        |
| Company contributions to defined contribution pension schemes | 6,665          | 43,254         |
|   | <u>511,820</u> | <u>518,343</u> |

During the year retirement benefits were accruing to no directors (2019 :1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £265,337 (2019: £243,371).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2019: £Nil).

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

8. Interest payable and similar expenses

|  | 2020<br>£        | 2019<br>£        |
|--|------------------|------------------|
| Bank interest payable                      | 69               | 9,413            |
| Loan interest payable                      | 1,700,716        | 1,620,745        |
| Finance leases and hire purchase contracts | 7,456            | 13,298           |
|  | <u>1,708,241</u> | <u>1,643,456</u> |

9. Taxation

|  | 2020<br>£        | 2019<br>£          |
|--|------------------|--------------------|
| <b>Corporation tax</b>                         |                  |                    |
| Current tax on profits for the year            | 27,156           | 798,880            |
| Adjustments in respect of previous periods     | (37,292)         | -                  |
| <b>Foreign tax</b>                             |                  |                    |
| Foreign tax on income for the year             | 1                | 53,160             |
| <b>Total current tax</b>                       | <u>(10,135)</u>  | <u>852,040</u>     |
| <b>Deferred tax</b>                            |                  |                    |
| Origination and reversal of timing differences | (1,290,839)      | (1,095,271)        |
| Changes to tax rates                           | 1,011,957        | -                  |
| <b>Total deferred tax</b>                      | <u>(278,882)</u> | <u>(1,095,271)</u> |
| <b>Taxation on loss on ordinary activities</b> | <u>(289,017)</u> | <u>(243,231)</u>   |

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

9. 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% (2019: 19%). The differences are explained below:

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Loss on ordinary activities before tax  | (10,698,174)     | (2,311,947)      |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%) | (2,032,701)      | (439,269)        |
| Effects of:   |                  |                  |
| Expenses not deductible for tax purposes  | 868,353          | 872,247          |
| Fixed asset differences   | 5,775            | 5,074            |
| Patent box claim  | (96,456)         | (794,180)        |
| Adjusting the closing deferred tax rate to average rate   | 1,011,314        | 126,644          |
| Group relief claimed  | -                | (784,871)        |
| Payment of group relief   | -                | 784,871          |
| Foreign tax differences   | -                | 6,620            |
| Other movements   | (8,010)          | (20,367)         |
| Adjustments relating to prior periods   | (37,292)         | -                |
| <b>Total tax charge for the year</b>  | <b>(289,017)</b> | <b>(243,231)</b> |

Factors that may affect future tax charges

There were no factors that may affect future charges.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

10. Intangible assets

Group

|                       | Brand name<br>£ | Customer<br>relations<br>£ | Order book<br>£ | Goodwill<br>£                            | Technology<br>£    |
|-----------------------|-----------------|----------------------------|-----------------|--|--------------------|
| <b>Cost</b>           |                 |                            |                 |  |                    |
| At 1 July 2019        | 26,367,000      | 15,155,900                 | 10,341,400      | 42,866,640                               | 4,585,900          |
| Additions             | -               | -                          | -               | -  | -                  |
| At 30 June 2020       | 26,367,000      | 15,155,900                 | 10,341,400      | 42,866,640                               | 4,585,900          |
| <b>Amortisation</b>   |                 |                            |                 |  |                    |
| At 1 July 2019        | 878,900         | 1,515,590                  | 3,447,133       | 4,286,764                                | 458,490            |
| Charge for the year   | 878,900         | 1,515,590                  | 3,447,133       | 4,286,764                                | 458,490            |
| At 30 June 2020       | 1,757,800       | 3,031,180                  | 6,894,266       | 8,573,528                                | 916,980            |
| <b>Net book value</b> |                 |                            |                 |  |                    |
| At 30 June 2020       | 24,609,200      | 12,124,720                 | 3,447,134       | 34,293,112                               | 3,668,920          |
| At 30 June 2019       | 25,488,100      | 13,640,310                 | 6,894,267       | 38,579,876                               | 4,127,410          |
|                       |                 |                            |                 | <b>Development<br/>expenditure<br/>£</b> | <b>Total<br/>£</b> |
| <b>Cost</b>           |                 |                            |                 |  |                    |
| At 1 July 2019        |                 |                            |                 | -  | 99,316,840         |
| Additions             |                 |                            |                 | 776,254                                  | 776,254            |
| At 30 June 2020       |                 |                            |                 | 776,254                                  | 100,093,094        |
| <b>Amortisation</b>   |                 |                            |                 |  |                    |
| At 1 July 2019        |                 |                            |                 | -  | 10,586,877         |
| Charge for the year   |                 |                            |                 | -  | 10,586,877         |
| At 30 June 2020       |                 |                            |                 | -  | 21,173,754         |
| <b>Net book value</b> |                 |                            |                 |  |                    |
| At 30 June 2020       |                 |                            |                 | 776,254                                  | 78,919,340         |
| At 30 June 2019       |                 |                            |                 | -  | 88,729,963         |



**CHAPLIN TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**10. Intangible assets (continued)**

**Company**

The company has no intangible assets.

**11. Tangible fixed assets**

**Group**

|                       | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures and<br>fittings<br>£ | Total<br>£       |
|-----------------------|---------------------------|-----------------------------|------------------------|-------------------------------|------------------|
| <b>Cost</b>           |                           |                             |                        |                               |                  |
| At 1 July 2019        | 874,984                   | 1,721,357                   | 10,644                 | 220,728                       | 2,827,713        |
| Additions             | 17,000                    | 175,728                     | -                      | 599,785                       | 792,513          |
| Disposals             | -                         | (77,281)                    | -                      | -                             | (77,281)         |
| At 30 June 2020       | <u>891,984</u>            | <u>1,819,804</u>            | <u>10,644</u>          | <u>820,513</u>                | <u>3,542,945</u> |
| <b>Depreciation</b>   |                           |                             |                        |                               |                  |
| At 1 July 2019        | (41,431)                  | 226,164                     | 3,138                  | 106,769                       | 294,640          |
| Charge for the year   | 24,376                    | 236,195                     | 3,137                  | 87,193                        | 350,901          |
| Disposals             | -                         | (77,281)                    | -                      | -                             | (77,281)         |
| At 30 June 2020       | <u>(17,055)</u>           | <u>385,078</u>              | <u>6,275</u>           | <u>193,962</u>                | <u>568,260</u>   |
| <b>Net book value</b> |                           |                             |                        |                               |                  |
| At 30 June 2020       | <u>909,039</u>            | <u>1,434,726</u>            | <u>4,369</u>           | <u>626,551</u>                | <u>2,974,685</u> |
| At 30 June 2019       | <u>916,415</u>            | <u>1,495,193</u>            | <u>7,506</u>           | <u>113,959</u>                | <u>2,533,073</u> |

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

|                     | 2020<br>£      | 2019<br>£      |
|---------------------|----------------|----------------|
| Plant and machinery | <u>378,377</u> | <u>447,414</u> |

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

12. Fixed asset investments

Company

Investments  
in  
subsidiary  
companies  
£

Cost

At 1 July 2019 and 30 June 2020

75,872,263

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## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 12. Fixed asset investments (continued)

##### Subsidiary undertakings

The following were subsidiary undertakings of the company at the year end:

| Name   | Class of shares | Holding |
|--|-----------------|---------|
| Chaplin Midco Limited                              | Ordinary        | 100%    |
| Chaplin Bidco Limited *                            | Ordinary        | 100%    |
| Cooke Optics Group Limited *                       | Ordinary        | 100%    |
| Cooke Optics Holdings Limited *                    | Ordinary        | 100%    |
| Cooke Optics Limited *                             | Ordinary        | 100%    |
| Cooke Americas Limited *                           | Ordinary        | 100%    |
| Cooke (Shanghai) Optics Technology Co., Ltd *      | Ordinary        | 100%    |
| Cooke Optics TV Limited *                          | Ordinary        | 100%    |
| Cooke Brasil Serviços De Assistência Técnica LTDA* | Ordinary        | 100%    |

\* This is indirectly owned by Chaplin Topco Limited.

The country of incorporation of Chaplin Midco Limited, Chaplin Bidco Limited, Cooke Optics Group Limited, Cooke Optics Holdings Limited, Cooke Optics Limited and Cooke Optics TV Limited is the United Kingdom. The registered office of Chaplin Midco Limited, Chaplin Bidco Limited, Cooke Optics Holdings Limited, Cooke Optics Limited and Cooke Optics TV Limited is the same office as Cooke Optics Holdings Limited.

The country of incorporation of Cooke Americas Limited is the United States of America. The registered office of Cooke Americas Limited is 264 Morris Avenue, Mountain Lakes, NJ 07046, United States of America.

The country of incorporation of Cooke (Shanghai) Optics Technology Co.,Ltd is China. The registered office of Cooke (Shanghai) Optics Technology Co.,Ltd is Rooms 501-03 & 501-04, No. 1 Building, No. 908 Xiuwen Road, Minhang District, Shanghai, China.

The country of incorporation of Cooke Brasil Serviços De Assistência Técnica LTDA is Brazil. The registered office of Cooke Brasil Serviços De Assistência Técnica LTDA is Rua Cardeal Arcoverde, n. 17.495, 6º andar, cj. 67, Pinheiros, CEP 05.407-002, in the City of São Paulo, State of São Paulo.

##### Impairment considerations

In view of changes in the market, the Coronavirus pandemic and the fact that trading results for the year ended 30 June 2020 are lower than those anticipated at the time of the acquisition of the group. The directors have carried out an impairment review of the carrying value of both its investment in subsidiaries and by implication the goodwill created at the time of the acquisition in July 2018.

The impairment review consisted of preparing detailed forecasts under different scenarios for the period to 30 June 2023. A weighted average of the forecasts was taken and a discounted cashflow approach adopted using a weighted average cost of capital of 10.61% and a long term growth rate of 2% in order to establish a value in use. The value in use exceeded the carrying value of the investment and an impairment provision was deemed unnecessary.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

13. Stocks

|                                     | Group<br>2020<br>£ | Group<br>2019<br>£ |
|-------------------------------------|--------------------|--------------------|
| Raw materials and consumables       | 3,643,348          | 6,147,249          |
| Work in progress                    | 2,521,667          | 1,996,209          |
| Finished goods and goods for resale | 1,141,555          | 2,406,068          |
|                                     | <u>7,306,570</u>   | <u>10,549,526</u>  |

Stock recognised in cost of sales during the year as an expense was £6,742,805 (2019: £8,241,953).

An impairment loss of £5,003,390 (2019: £56,794) was recognised in cost of sales relating to the additional provision against slow-moving and obsolete stock. The additional provision made was in response to a change in customer demand. The provision has been calculated on an individual product basis taking into account existing stock and anticipated demand in the medium term.

14. Debtors

|                                    | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors                      | 510,936            | 880,675            | -                    | -                    |
| Amounts owed by group undertakings | -                  | -                  | 14,833,202           | 377,168              |
| Other debtors                      | 429,666            | 927,250            | -                    | -                    |
| Prepayments and accrued income     | 201,716            | 149,036            | -                    | -                    |
|                                    | <u>1,142,318</u>   | <u>1,956,961</u>   | <u>14,833,202</u>    | <u>377,168</u>       |

**CHAPLIN TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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

|   | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| Bank loans  | 2,033,504          | -                  | -                    | -                    |
| Trade creditors   | 3,374,187          | 4,237,902          | 165                  | -                    |
| Amounts owed to group undertakings                          | 731,974            | 784,871            | 8,027,049            | 5,543,948            |
| Other taxation and social security                          | 414,142            | 94,941             | 1,576                | 1,298                |
| Obligations under finance lease and hire purchase contracts | 100,884            | 106,315            | -                    | -                    |
| Other creditors   | 54,593             | 33,614             | -                    | -                    |
| Accruals and deferred income                                | 1,122,856          | 971,287            | -                    | -                    |
|   | <u>7,832,140</u>   | <u>6,228,930</u>   | <u>8,028,790</u>     | <u>5,545,246</u>     |

During the year the directors have reclassified customer deposits in Cooke Americas Limited from Accruals and deferred income to trade creditors to be consistent with the rest of the group.

**16. Creditors: Amounts falling due after more than one year**

|  | Group<br>2020<br>£ | Group<br>2019<br>£ |
|--|--------------------|--------------------|
| Bank loan  | 80,178             | -                  |
| Other loan (See note 25)   | 29,994,969         | 29,546,408         |
| Net obligations under finance leases and hire purchase contracts | -                  | 110,912            |
|  | <u>30,075,147</u>  | <u>29,657,320</u>  |

Net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Included in other loans is a loan of £30,000,000 which carries an interest rate of 4% plus LIBOR and is due for repayment on 31 August 2025. The interest rate on the loan is 4% unless the company elects, for interest periods up to 31 December 2020, to pay the interest in kind, in which case the interest rate is 5%. During the year the directors elected to pay interest in kind for the period ended 30 March 2020 increasing the loan balance to £30,372,962. Other loans are secured over the assets of the group.

Included in bank loans due in less than one year is a £2,000,000 loan which carries an interest rate of 2.75%. The loan is secured over the assets of the group.

The remaining bank loans carry interest of 2.5% and are repayable by equal installments by July 2023, the loan is secured over the assets of Cooke Americas Limited.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

17. Loans

|  | Group<br>2020<br>£ | Group<br>2019<br>£ |
|--|--------------------|--------------------|
| <b>Amounts falling due within one year</b>         |                    |                    |
| Bank loans   | 2,033,504          | -                  |
| <b>Amounts falling due 1-2 years</b>               |                    |                    |
| Bank loans   | 57,435             | -                  |
| <b>Amounts falling due 2-5 years</b>               |                    |                    |
| Bank loans   | 22,743             | -                  |
| <b>Amounts falling due after more than 5 years</b> |                    |                    |
| Other loans (See note 25)                          | 29,994,969         | 29,546,408         |
|  | <u>32,108,651</u>  | <u>29,546,408</u>  |

18. Deferred taxation

Group

|   | 2020<br>£        |
|---|------------------|
| At beginning of year  | 8,579,991        |
| Charged to the Consolidated Statement of Comprehensive Income | 278,882          |
| Arising on business combinations                              | -                |
| Utilised in year  | -                |
| <b>At end of year</b>   | <b>8,301,109</b> |

  

|   | Group<br>2020<br>£ | Group<br>2019<br>£ |
|---|--------------------|--------------------|
| Fixed asset timing differences          | 102,413            | 91,783             |
| Short term timing differences           | (29,420)           | (37,307)           |
| Deferred tax on intangible fixed assets | 8,331,495          | 8,525,515          |
| Losses and other deductions             | (103,379)          | -                  |
|   | <b>8,301,109</b>   | <b>8,579,991</b>   |

# CHAPLIN TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 19. Share capital

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 751,126 A Ordinary shares of £0.0010 each | 751       | 751       |
| 66,515 B Ordinary shares of £0.0001 each  | 7         | 7         |
| 27,359 C Ordinary shares of £0.0001 each  | 3         | 3         |
| 54,500 A Growth shares of £0.0001 each    | 5         | 5         |
| 62,000 B Growth shares of £0.0001 each    | 6         | 6         |
| 6,000 C Growth shares of £0.0200 each     | 120       | 120       |
|   | <hr/>     | <hr/>     |
|   | 892       | 892       |
|   | <hr/>     | <hr/>     |

A Ordinary, B Ordinary and C Ordinary shares are entitled to one vote per share. A Growth shares, B Growth shares and C Growth shares are not entitled to a vote.

A Ordinary shares, B Ordinary shares, A Growth Shares and C Growth shares are entitled to a dividend and are ranked pari passu for this condition. C Ordinary shares and B Growth shares are not entitled to a dividend.

On a return of capital on liquidation or otherwise, the distribution waterfall will be as follows:

- 84.5% of the proceeds to the A Ordinary shares, B Ordinary shares and C Ordinary shares up to a predetermined value
- 15.5% to the holders of C Ordinary shares and B Growth shares up to a secondary predetermined value
- If any balance remains, to the holders of all shares in proportion to the number of shares held.

### 20. Reserves

#### Share premium account

The share premium account includes any premiums received on the issue of share capital above its nominal value. Any transaction costs associated with the issuing of shares are deducted from the share premium.

#### Capital contribution reserve

The capital contribution reserve account represents a non-repayable contribution from a group company.

#### Foreign exchange reserve

The foreign exchange reserve includes any foreign exchange gains and losses recognised on consolidation of a foreign subsidiary.

#### Profit and loss account

The profit and loss account includes all current periods retained profit and losses, less dividends paid.

# CHAPLIN TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 21. Contingent liabilities

The group is a party to a group wide guarantee given to the group's lenders. At 30 June 2020, the maximum liability stood at £32,372,962 (2019: £30,000,000)

The company is party to a group wide VAT and duty deferment guarantee for £205,025 (2019: £205,025).

### 22. Capital commitments

The group and company had capital commitments as follows:

|   | Group<br>2020<br>£ | Group<br>2019<br>£ |
|---|--------------------|--------------------|
| Contracted for but not provided in these financial statements | 84,533             | 640,321            |

### 23. Pension commitments

The group operates a defined contribution plan for its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and is set out in note 6.

The amount owing at the year end in respect of such contributions amounted to £54,245 (2019: £114,513) and is included in creditors.

### 24. Commitments under operating leases

At 30 June 2020 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

|  | Group<br>2020<br>£ | Group<br>2019<br>£ |
|--|--------------------|--------------------|
| Not later than 1 year                        | 49,378             | 88,751             |
| Later than 1 year and not later than 5 years | 166,012            | 173,887            |
| Later than 5 years                           | 83,489             | 125,077            |
|  | 298,879            | 387,715            |



## CHAPLIN TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 25. Related party transactions

On 31 August 2018, a loan of £30,000,000 was made to Chaplin Bidco Limited by a party also controlled by Caledonia Investments plc (see note 26 below). The loan balance of £30,000,000 carries an interest rate of 4% plus LIBOR. The interest rate on the loan is 4% unless the company elects, for interest periods up to 31 December 2020, to pay the interest in kind, in which case the interest rate is 5%. During the year the directors elected to pay interest in kind for the period ended 30 March 2020 increasing the loan balance to £30,372,962. Interest charged during the year was £1,592,963 (2019: £1,417,949). The £30,372,962 loan is due for repayment on 31 August 2025 and is secured over the assets of the group. At the year end £30,372,962 was outstanding and included in other loans due in greater than one year (net of the costs of raising the debt and capitalised interest).

During the year, the group incurred administrative charges from a company under common control of £127,483 (2019: £121,213). At the year end £8,894 (2019: £Nil) was outstanding.

During the year, emoluments paid to key management personnel, including directors, total £720,132 (2019: £695,029).

During the year, consultancy fees were paid to key management personnel of £23,226. At the year end £Nil was outstanding.

Rental charges of £69,870 (2019: £50,615) were paid to directors of the group.

During the period, the company utilised tax losses from non-wholly owned group entities under common control of £54,145 (2019: £784,871). At the year end a balance of £725,312 (2019: £784,871) was due and included in creditors due within one year.

#### 26. Controlling party

The ultimate controlling party is Caledonia Investments plc, the ultimate parent company. Caledonia Investments plc indirectly holds 77.88% of the shares in Chaplin Topco Limited. Caledonia Investments plc is registered in England and Wales. Post year end, Caledonia Investments plc increased their holding of shares in Chaplin Topco Limited to 80.58% after acquiring shares from a retiring shareholder.

The smallest and largest group for which financial statements are prepared is Chaplin Topco Limited and Caledonia Investments plc respectively. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.