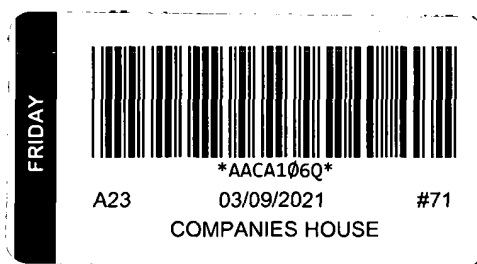


RFC

Company Registration No. 12091674 (England and Wales)

**MOUNTSANDEL HOLDINGS LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**



**PM+M Solutions for Business LLP**  
**Chartered Accountants**  
**New Century House**  
**Greenbank Technology Park**  
**Challenge Way**  
**Blackburn**  
**Lancashire**  
**BB1 5QB**

# **MOUNTSANDEL HOLDINGS LTD**

## **COMPANY INFORMATION**

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<b>Directors</b>	R V Blair H J Blair
<b>Company number</b>	12091674
<b>Registered office</b>	Ridge Moor 5 Lakeside Littleborough Lancs OL15 0DD
<b>Auditor</b>	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

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# **MOUNTSANDEL HOLDINGS LTD**

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# **MOUNTSANDEL HOLDINGS LTD**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2021**

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The directors present the strategic report for the year ended 28 February 2021.

#### **Fair review of the business**

During the year the turnover decreased marginally to £8,152k (2020 - £8,303k). The Covid-19 pandemic has impacted the results as demand from our largest customer, the NHS, has fallen as non-Covid treatments were reduced during the height of the pandemic. Continued investment helped to improve production efficiency but increasing competition and raw material prices slightly reduced the gross margin achieved. Tight control of overheads which fell from £1,792k to £1,557k resulted in the net pre tax profit increasing to £1,441k (2020 - £1,347k).

The group has continued to invest in fixed assets, and in particular plant and machinery with significant additions of £789k (2020 - £470k), to improve its production efficiencies. Research and development activity has continued during the year to ensure the group remains a leading force in the market. This has continued into the next financial year with further capital expenditure planned.

Dividends of £215k were paid in the year. The group has net assets at the balance sheet date of £9.0m (2020 - £8.1m), which reflects the retained profit in the year. Given the level of the group's activity, the directors are considering future expansion plans and the potential requirement for additional premises.

Overall, the directors believe the group is in a strong position at the year end.

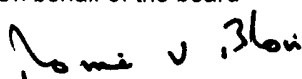
#### **Principal risks and uncertainties**

Principal risks and uncertainties to the group are the budgetary controls over health authorities, raw material prices and sector competition.

#### **Key performance indicators**

The group's key performance indicators are sales, margin achieved and number of machine hours achieved.

On behalf of the board



R V Blair  
Director

25 August 2021

# MOUNTSANDEL HOLDINGS LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 28 FEBRUARY 2021

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The directors present their annual report and financial statements for the year ended 28 February 2021.

#### Principal activities

The principal activity of the group continued to be that of commercial printers.

#### Results and dividends

The results for the year are set out on page 6.

Interim dividends paid by the group during the year totalled £214,880. The directors do not recommend payment of a further dividend.

#### Directors

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

R V Blair

H J Blair

#### Auditor

In accordance with the company's articles, a resolution proposing that PM+M Solutions for Business LLP be reappointed as auditor of the group will be put at a General Meeting.

#### Statement of directors' responsibilities

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

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

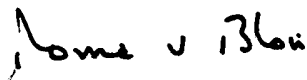
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

#### Statement of disclosure to auditor

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

On behalf of the board



R V Blair  
Director

25 August 2021

# **MOUNTSANDEL HOLDINGS LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MOUNTSANDEL HOLDINGS LTD**

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#### **Opinion**

We have audited the financial statements of Mountsandel Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2021 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 February 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **MOUNTSANDEL HOLDINGS LTD**

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

### **TO THE MEMBERS OF MOUNTSANDEL HOLDINGS LTD**

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

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

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

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

# **MOUNTSANDEL HOLDINGS LTD**

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

### **TO THE MEMBERS OF MOUNTSANDEL HOLDINGS LTD**

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

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

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Company's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.



# MOUNTSANDEL HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MOUNTSANDEL HOLDINGS LTD

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#### **Audit response to risks identified**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Nigel Wright BSc FCA (Senior Statutory Auditor)**  
For and on behalf of PM+M Solutions for Business LLP

25 August 2021

**Chartered Accountants**  
**Statutory Auditor**

New Century House  
Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

# MOUNTSANDEL HOLDINGS LTD

## GROUP STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	2021 £	2020 £
Turnover	3	8,151,622	8,302,785
Cost of sales		(5,192,183)	(5,198,519)
<b>Gross profit</b>		<b>2,959,439</b>	<b>3,104,266</b>
Distribution costs		(233,826)	(243,411)
Administrative expenses		(1,322,914)	(1,549,087)
<b>Operating profit</b>	4	<b>1,402,699</b>	<b>1,311,768</b>
Interest receivable and similar income		39,240	37,297
Interest payable and similar expenses	8	-	(1,578)
<b>Profit before taxation</b>		<b>1,441,939</b>	<b>1,347,487</b>
Tax on profit	9	(280,732)	(186,822)
<b>Profit for the financial year</b>		<b>1,161,207</b>	<b>1,160,665</b>
Retained earnings brought forward		8,060,997	7,321,832
Dividends		(214,880)	(421,500)
<b>Retained earnings carried forward</b>		<b>9,007,324</b>	<b>8,060,997</b>

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

# MOUNTSANDEL HOLDINGS LTD

## GROUP BALANCE SHEET

AS AT 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11	2,423,593		1,957,267	
<b>Current assets</b>					
Stocks	14	594,000		816,000	
Debtors	15	1,305,874		1,301,906	
Cash at bank and in hand		6,213,426		5,467,720	
		<u>8,113,300</u>		<u>7,585,626</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,126,384)</u>		<u>(1,211,097)</u>	
<b>Net current assets</b>		<u>6,986,916</u>		<u>6,374,529</u>	
<b>Total assets less current liabilities</b>		<u>9,410,509</u>		<u>8,331,796</u>	
<b>Provisions for liabilities</b>	17	<u>(399,135)</u>		<u>(266,749)</u>	
<b>Net assets</b>		<u>9,011,374</u>		<u>8,065,047</u>	
<b>Capital and reserves</b>					
Called up share capital	19	768		768	
Capital reserve		3,282		3,282	
Profit and loss reserves		9,007,324		8,060,997	
<b>Total equity</b>		<u>9,011,374</u>		<u>8,065,047</u>	

The financial statements were approved by the board of directors and authorised for issue on 25 August 2021 and are signed on its behalf by:

*R V Blair*

R V Blair  
Director

# MOUNTSANDEL HOLDINGS LTD

## COMPANY BALANCE SHEET

AS AT 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	12		768		768
<b>Current assets</b>					
Debtors	15	3,000,000		-	
Cash at bank and in hand		5,285,677		4,505,035	
		<u>8,285,677</u>		<u>4,505,035</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(7,525)</u>		<u>(1,038)</u>	
<b>Net current assets</b>			<u>8,278,152</u>		<u>4,503,997</u>
<b>Total assets less current liabilities</b>			<u><u>8,278,920</u></u>		<u><u>4,504,765</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		768		768
Profit and loss reserves			<u>8,278,152</u>		<u>4,503,997</u>
<b>Total equity</b>			<u><u>8,278,920</u></u>		<u><u>4,504,765</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,989,035 (2020 - £4,513,997 profit).

The financial statements were approved by the board of directors and authorised for issue on 25 August 2021 and are signed on its behalf by:



R V Blair  
Director

Company Registration No. 12091674

# MOUNTSANDEL HOLDINGS LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	1,687,829		1,888,416	
Interest paid		-		(1,578)	
Income taxes paid		(153,501)		(213,780)	
<b>Net cash inflow from operating activities</b>		<b>1,534,328</b>		<b>1,673,058</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(612,982)		(470,125)	
Proceeds on disposal of tangible fixed assets		-		21,244	
Interest received		39,240		37,297	
<b>Net cash used in investing activities</b>		<b>(573,742)</b>		<b>(411,584)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		-		(16,625)	
Dividends paid to equity shareholders		(214,880)		(421,500)	
<b>Net cash used in financing activities</b>		<b>(214,880)</b>		<b>(438,125)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>745,706</b>		<b>823,349</b>	
Cash and cash equivalents at beginning of year		5,467,720		4,644,371	
<b>Cash and cash equivalents at end of year</b>		<b>6,213,426</b>		<b>5,467,720</b>	

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

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### 1 Accounting policies

#### Company information

Mountsandel Holdings Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Ridge Moor, 5 Lakeside, Littleborough, Lancashire, OL15 0DD. The principal place of business of the group is Unit 13, Riverside Drive, Smallbridge Business Park, Rochdale, Lancashire, OL16 2SH.

The group consists of Mountsandel Holdings Ltd and all of its subsidiaries.

#### 1.1 Accounting convention

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

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

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

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Mountsandel Holdings Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 28 February 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

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

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

Plant and machinery	15% per annum
Fixtures, fittings and computer equipment	30% per annum
Motor vehicles	25% per annum

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

#### 1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.7 Impairment of fixed assets

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

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

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

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

---

### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

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

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

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

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

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

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

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

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

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

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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

#### 1.11 Equity instruments

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



# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

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### 1 Accounting policies

(Continued)

#### 1.12 Taxation

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

##### *Current tax*

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

##### *Deferred tax*

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

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

#### 1.13 Employee benefits

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

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

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

#### 1.14 Retirement benefits

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

#### 1.15 Leases

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

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. These main areas of judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to stock and debtor provisions and useful lives of the company's fixed assets.

### 3 Turnover and other revenue

	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	39,240	37,297

	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	7,521,728	7,628,342
Rest of Europe	629,894	674,443
	8,151,622	8,302,785

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	(850)
Depreciation of owned tangible fixed assets	323,056	347,248
Profit on disposal of tangible fixed assets	-	(4,633)
Operating lease charges	181,113	181,846

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	1,500	1,500
Audit of the financial statements of the company's subsidiaries	12,000	9,000
	<u>13,500</u>	<u>10,500</u>

### 6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Production	41	42	-	-
Administration	17	18	2	2
Total	<u>58</u>	<u>60</u>	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,468,738	1,607,784	-	-
Social security costs	135,439	154,310	-	-
Pension costs	193,727	193,458	-	-
	<u>1,797,904</u>	<u>1,955,552</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	34,000	154,004
Company pension contributions to defined contribution schemes	40,000	40,000
	<u>74,000</u>	<u>194,004</u>

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 8 Interest payable and similar expenses

	2021	2020
	£	£
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	-	1,578

### 9 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	148,372	153,527
Adjustments in respect of prior periods	(26)	(1,890)
<b>Total current tax</b>	<b>148,346</b>	<b>151,637</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	101,004	35,185
Changes in tax rates	31,382	-
<b>Total deferred tax</b>	<b>132,386</b>	<b>35,185</b>
<b>Total tax charge</b>	<b>280,732</b>	<b>186,822</b>

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

	2021	2020
	£	£
Profit before taxation	1,441,939	1,347,487
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	273,968	256,023
Tax effect of expenses that are not deductible in determining taxable profit	607	380
Adjustments in respect of prior years	(26)	(1,890)
Effect of change in corporation tax rate	31,382	(4,140)
Research and development tax credit	(19,393)	(53,719)
Reduction in respect of patent box claims	(5,806)	(9,832)
<b>Taxation charge</b>	<b>280,732</b>	<b>186,822</b>

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 10 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	<u>214,880</u>	<u>421,500</u>

### 11 Tangible fixed assets

Group	Plant and machinery £	Fixtures, fittings and computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 March 2020	8,006,196	494,159	34,780	8,535,135
Additions	<u>789,382</u>	<u>-</u>	<u>-</u>	<u>789,382</u>
At 28 February 2021	<u>8,795,578</u>	<u>494,159</u>	<u>34,780</u>	<u>9,324,517</u>
<b>Depreciation and impairment</b>				
At 1 March 2020	6,087,831	462,822	27,215	6,577,868
Depreciation charged in the year	<u>311,010</u>	<u>10,155</u>	<u>1,891</u>	<u>323,056</u>
At 28 February 2021	<u>6,398,841</u>	<u>472,977</u>	<u>29,106</u>	<u>6,900,924</u>
<b>Carrying amount</b>				
At 28 February 2021	<u>2,396,737</u>	<u>21,182</u>	<u>5,674</u>	<u>2,423,593</u>
At 29 February 2020	<u>1,918,365</u>	<u>31,337</u>	<u>7,565</u>	<u>1,957,267</u>

The company had no tangible fixed assets at 28 February 2021 or 29 February 2020.

### 12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	<u>-</u>	<u>-</u>	<u>768</u>	<u>768</u>

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 12 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 March 2020 and 28 February 2021

768

#### Carrying amount

At 28 February 2021

768

At 29 February 2020

768

### 13 Subsidiaries

Details of the company's subsidiaries at 28 February 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Jones & Brooks Limited	see below	Commercial printing	Ordinary	100.00

The registered office of the subsidiary is Unit 13, Riverside Drive, Smallbridge Business Park, Rochdale, Lancashire, OL16 2SH.

### 14 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	208,228	264,434	-	-
Work in progress	19,869	22,185	-	-
Finished goods and goods for resale	365,903	529,381	-	-
	<u>594,000</u>	<u>816,000</u>	<u>-</u>	<u>-</u>

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 15 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	1,254,050	1,248,052	-	-
Prepayments and accrued income	51,824	53,854	-	-
	<u>1,305,874</u>	<u>1,301,906</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	3,000,000	-
	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>
<b>Total debtors</b>	<u>1,305,874</u>	<u>1,301,906</u>	<u>3,000,000</u>	<u>-</u>

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade creditors	422,818	563,765	-	-
Amounts owed to group undertakings	-	-	100	100
Corporation tax payable	148,372	153,527	7,425	938
Other taxation and social security	258,919	232,622	-	-
Other creditors	247,415	112,466	-	-
Accruals and deferred income	48,860	148,717	-	-
	<u>1,126,384</u>	<u>1,211,097</u>	<u>7,525</u>	<u>1,038</u>

### 17 Deferred taxation

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

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	399,235	266,831
Short term timing differences	(100)	(82)
	<u>399,135</u>	<u>266,749</u>

The company has no deferred tax assets or liabilities.

# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 17 Deferred taxation

(Continued)

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 March 2020	266,749	-
Charge to profit or loss	101,004	-
Effect of change in tax rate - profit or loss	31,382	-
	<u>399,135</u>	<u>-</u>
Liability at 28 February 2021	<u>399,135</u>	<u>-</u>

There is unlikely to be any significant reversal of the deferred tax balance in the forthcoming 12 months.

### 18 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>193,727</u>	<u>193,458</u>

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

### 19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	751	751	751	751
Ordinary A to Q shares of £1 each	17	17	17	17
	<u>768</u>	<u>768</u>	<u>768</u>	<u>768</u>

### 20 Operating lease commitments

#### Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	4,708	178,476	-	-
Between two and five years	-	4,991	-	-
	<u>4,708</u>	<u>183,467</u>	<u>-</u>	<u>-</u>



# MOUNTSANDEL HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 21 Related party transactions

#### Transactions with related parties

During the year the group paid contributions amounting to £152,500 (2020 - £152,500) to the subsidiary company pension scheme, of which the directors are trustees and members.

During the year the group paid rent amounting to £170,000 (2020 - £170,000) to the subsidiary company pension scheme, of which the directors are trustees and members.

During the year dividends of £214,880 (2020 - £421,500) were paid to a family trust of which the directors are trustees.

### 22 Controlling party

Ultimate control is held by R V and H J Blair.

### 23 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,161,207	1,160,665
<b>Adjustments for:</b>		
Taxation charged	280,732	186,822
Finance costs	-	1,578
Investment income	(39,240)	(37,297)
Gain on disposal of tangible fixed assets	-	(4,633)
Depreciation and impairment of tangible fixed assets	323,056	347,248
<b>Movements in working capital:</b>		
Decrease in stocks	222,000	33,002
(Increase)/decrease in debtors	(3,968)	205,599
Decrease in creditors	(255,958)	(4,568)
<b>Cash generated from operations</b>	<b>1,687,829</b>	<b>1,888,416</b>

### 24 Analysis of changes in net funds - group

	1 March 2020 £	Cash flows £	28 February 2021 £
Cash at bank and in hand	5,467,720	745,706	6,213,426

### 25 Analysis of changes in net funds - company

	1 March 2020 £	Cash flows £	28 February 2021 £
Cash at bank and in hand	4,505,035	780,642	5,285,677