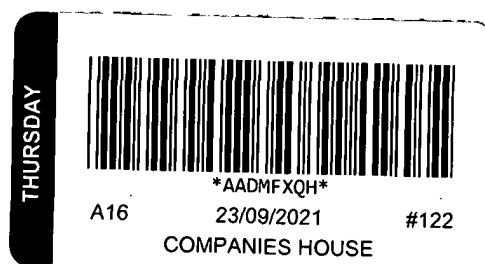


REGISTERED NUMBER: 00075614 (England and Wales)

A. MCLAY AND COMPANY LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



A. MCLAY AND COMPANY LIMITED

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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A. MCLAY AND COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

DIRECTORS:

K A Burnett
J Thomas
M J M Vaughan
K J Vaughan
G J M Vaughan

SECRETARY:

G J M Vaughan

REGISTERED OFFICE:

Longwood Drive
Forest Farm
County of Cardiff
CF14 7ZB

REGISTERED NUMBER:

00075614 (England and Wales)

AUDITORS:

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

A. MCLAY AND COMPANY LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report of the company and the group for the year ended 31 March 2021.

REVIEW OF BUSINESS

The trading performance of the Group was satisfactory during the year, despite the uncertainty. The Group generated a lower profit than the prior year as a result of the pandemics impact on trading. Management continue to control Litho Sales where margins remain highly competitive. Further expansion of the fulfilment business and Digital Print investment is planned.

Profit margins continue to be pressured, affected by increased material costs and European supplier impacts. Uncertainty surrounding the European Union Brexit settlement did not help, particularly with unstable consumable supplies and costs. The move by many European suppliers to increase service charges as well as spare parts costs are an indication of the future impact of Brexit.

During the year, COVID-19 was identified as a global pandemic, and in March 2020 the UK went into full lockdown. To date, the Group has carefully managed any impacts on its activities as a result and has remained vigilant throughout. The business has been classified as an essential service by the Government and remained operational throughout the pandemic. Nevertheless, a substantial drop in turnover resulted in a re-alignment of staff levels, leading to a number of voluntary redundancies. New business opportunities as a result of P.P.E. (Personal Protective Equipment) boosted the overall sales as well as customers reviewing their inhouse mailing facilities.

Management have continued to pursue a strategy of acquisition, to expand the service offering. Apart from a new sales base in the South East of England this strategy has proven frustrating to date. However, management will continue to seek to acquire companies whose services are complimentary and those that expand the Group's service offering.

We cannot see any major indicators for business development in this current climate. The moment we do, we are poised to invest.

The group continues to invest in research and development, plans include the development of a project to audit the capabilities of postal services.

Investment in our Digital Services has slowed as we seek clear direction following COVID-19 control and the return to normal of existing and potential customers.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties in the view of the directors are outlined below.

Brexit risk

Brexit will undoubtedly continue to create risks associated with the European supply chain both in terms of direct costs and fixed assets. Management are aware of these risks, and monitor these closely. Mitigating measures will be put in place where possible.

COVID-19 risk

The COVID-19 pandemic has introduced unique business risks and unpredictability. To mitigate these risks, management have managed stock levels to reduce working capital requirements, selectively used the government furlough scheme and refocused certain discretionary costs.

Furthermore, as part of our business planning and mitigating activities, directors undertake regular reviews to ensure they have the most up to date information to hand to inform business decisions to achieve their priorities.

A. MCLAY AND COMPANY LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risk management objectives, policies and risks are outlined below.

Interest rate risk

The Group finances its operations through a mixture of retained profits and hire purchase arrangements. The interest rate on hire purchase arrangements is fixed and hence the risk is deemed to be mitigated.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Price risk

Prices for products comparable to those of the Group are under constant review to ensure that the sustainable value is being delivered to customers.

Credit risk

The Group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

Cash flow risk

Cash flow is monitored on a regular basis to mitigate the effect of any variations from expectations and thereby maximising the time available to reduce any associated risks.

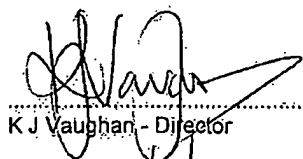
FINANCIAL KEY PERFORMANCE INDICATORS

The Directors use many performance indicators, both financial and non-financial, to monitor the company's position.

The key performance indicators are outlined below:

	2021	2020	Movement
Revenue	21,298,645	25,118,798	(3,820,153)
Net profit	820,840	990,011	(169,171)
EBITDA	2,197,616	2,408,018	(210,402)
Cash	5,257,883	2,888,364	2,369,519
Net Assets	7,434,090	6,613,750	820,340

ON BEHALF OF THE BOARD:



K J Vaughan - Director

Date: 16/9/2021

A. MCLAY AND COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of print manufacturing services including data management, fulfilment and postal operations.

DIVIDENDS

The directors have paid a dividend of £500 during the year (2020: £395,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

K A Burnett
J Thomas
K J Vaughan

Other changes in directors holding office are as follows:

M J M Vaughan - appointed 10 July 2020
G J M Vaughan - appointed 10 July 2020

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 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 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 company will continue in business.

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

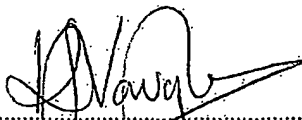
A. MCLAY AND COMPANY LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



K J Vaughan - Director

Date: 16/4/2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF A. MCLAY AND COMPANY LIMITED

Opinion

We have audited the financial statements of A. McLay and Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs as at 31 March 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF A. MCLAY AND COMPANY LIMITED

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 Report of the Directors.

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 Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of both the group and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- the appropriateness of journal entries and other adjustments;
- challenging management in relation to significant accounting estimates;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
A. MCLAY AND COMPANY LIMITED**

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 a Report of the Auditors 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.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 23 September 2021

A. MCLAY AND COMPANY LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
TURNOVER	3	21,298,645	25,118,798
Cost of sales		(17,944,410)	(20,454,547)
GROSS PROFIT		3,354,235	4,664,251
Administrative expenses		(2,978,754)	(3,434,555)
		375,481	1,229,696
Other operating income	4	647,441	49,676
OPERATING PROFIT	6	1,022,922	1,279,372
Interest receivable and similar income	7	8,861	12,107
		1,031,783	1,291,479
Interest payable and similar expenses	8	(42,902)	(63,063)
PROFIT BEFORE TAXATION		988,881	1,228,416
Tax on profit	9	(168,041)	(238,405)
PROFIT FOR THE FINANCIAL YEAR		820,840	990,011
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		820,840	990,011
Profit attributable to:			
Owners of the parent		801,943	973,323
Non-controlling interests		18,897	16,688
		820,840	990,011
Total comprehensive income attributable to:			
Owners of the parent		801,943	973,323
Non-controlling interests		18,897	16,688
		820,840	990,011

The notes form part of these financial statements

A. MCLAY AND COMPANY LIMITED (REGISTERED NUMBER: 00075614)

**CONSOLIDATED BALANCE SHEET
31 MARCH 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	3,145,588	3,995,814
Investments	14	-	13,502
		<u>3,145,588</u>	<u>4,009,316</u>
CURRENT ASSETS			
Stocks	15	325,490	495,763
Debtors	16	3,073,739	3,731,650
Cash at bank and in hand		5,257,883	2,888,364
		<u>8,657,112</u>	<u>7,115,777</u>
CREDITORS			
Amounts falling due within one year	17	(3,739,384)	(3,299,674)
NET CURRENT ASSETS		<u>4,917,728</u>	<u>3,816,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,063,316</u>	<u>7,825,419</u>
CREDITORS			
Amounts falling due after more than one year	18	(457,716)	(963,102)
PROVISIONS FOR LIABILITIES	20	(171,510)	(248,567)
NET ASSETS		<u>7,434,090</u>	<u>6,613,750</u>
CAPITAL AND RESERVES			
Called up share capital	21	70,750	70,750
Capital redemption reserve	22	66,702	66,702
Retained earnings	22	7,337,222	6,535,779
SHAREHOLDERS' FUNDS		<u>7,474,674</u>	<u>6,673,231</u>
NON-CONTROLLING INTERESTS		<u>(40,584)</u>	<u>(59,481)</u>
TOTAL EQUITY		<u>7,434,090</u>	<u>6,613,750</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16/12/2021 and were signed on its behalf by:


K.J. Vaughan - Director

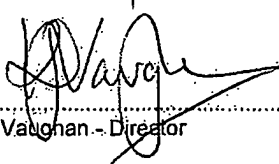
The notes form part of these financial statements

A. MCLAY AND COMPANY LIMITED (REGISTERED NUMBER: 00075614)

**COMPANY BALANCE SHEET
31 MARCH 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	3,143,863	3,992,219
Investments	14	600	14,102
		<u>3,144,463</u>	<u>4,006,321</u>
CURRENT ASSETS			
Stocks	15	325,490	495,763
Debtors	16	3,248,923	3,948,099
Cash at bank and in hand		5,190,105	2,842,454
		<u>8,764,518</u>	<u>7,286,316</u>
CREDITORS			
Amounts falling due within one year	17	(3,741,075)	(3,318,915)
NET CURRENT ASSETS		<u>5,023,443</u>	<u>3,967,401</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,167,906</u>	<u>7,973,722</u>
CREDITORS			
Amounts falling due after more than one year	18	(457,716)	(963,102)
PROVISIONS FOR LIABILITIES	20	<u>(175,042)</u>	<u>(248,567)</u>
NET ASSETS		<u><u>7,535,148</u></u>	<u><u>6,762,053</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	70,750	70,750
Capital redemption reserve	22	66,702	66,702
Retained earnings	22	7,397,696	6,624,601
SHAREHOLDERS' FUNDS		<u><u>7,535,148</u></u>	<u><u>6,762,053</u></u>
Company's profit for the financial year		<u><u>773,595</u></u>	<u><u>948,290</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 16/4/2021 and were signed on its behalf by:


K.J. Vaughan - Director

The notes form part of these financial statements

A. MCLAY AND COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Capital redemption reserve £
Balance at 1 April 2019	70,750	5,957,456	66,702
Changes in equity			
Dividends	-	(395,000)	-
Total comprehensive income	-	973,323	-
Balance at 31 March 2020	<u>70,750</u>	<u>6,535,779</u>	<u>66,702</u>
Changes in equity			
Dividends	-	(500)	-
Total comprehensive income	-	801,943	-
Balance at 31 March 2021	<u>70,750</u>	<u>7,337,222</u>	<u>66,702</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2019	6,094,908	(76,169)	6,018,739
Changes in equity			
Dividends	(395,000)	-	(395,000)
Total comprehensive income	973,323	16,688	990,011
Balance at 31 March 2020	<u>6,673,231</u>	<u>(59,481)</u>	<u>6,613,750</u>
Changes in equity			
Dividends	(500)	-	(500)
Total comprehensive income	801,943	18,897	820,840
Balance at 31 March 2021	<u>7,474,674</u>	<u>(40,584)</u>	<u>7,434,090</u>

The notes form part of these financial statements

A. MCLAY AND COMPANY LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2019	70,750	6,071,311	66,702	6,208,763
Changes in equity				
Dividends	-	(395,000)	-	(395,000)
Total comprehensive income	-	948,290	-	948,290
Balance at 31 March 2020	70,750	6,624,601	66,702	6,762,053
Changes in equity				
Dividends	-	(500)	-	(500)
Total comprehensive income	-	773,595	-	773,595
Balance at 31 March 2021	70,750	7,397,696	66,702	7,535,148

The notes form part of these financial statements

A. MCLAY AND COMPANY LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	3,311,629	2,357,333
Interest paid		(1,039)	-
Interest element of hire purchase payments paid		(41,863)	(63,063)
Tax paid		(244,963)	(239,000)
Net cash from operating activities		3,023,764	2,055,270
Cash flows from investing activities			
Purchase of tangible fixed assets		(149,784)	(285,995)
Purchase of fixed asset investments		-	(9,000)
Sale of tangible fixed assets		5,740	-
Sale of fixed asset investments		4,500	-
Interest received		8,861	12,107
Net cash from investing activities		(130,683)	(282,888)
Cash flows from financing activities			
Capital repayments in year		(693,062)	(801,077)
Amount introduced by directors		170,000	-
Equity dividends paid		(500)	(395,000)
Net cash from financing activities		(523,562)	(1,196,077)
Increase in cash and cash equivalents		2,369,519	576,305
Cash and cash equivalents at beginning of year	2	2,888,364	2,312,059
Cash and cash equivalents at end of year	2	5,257,883	2,888,364

The notes form part of these financial statements

A. MCLAY AND COMPANY LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Profit before taxation	988,881	1,228,416
Depreciation charges	1,174,694	1,109,480
(Profit)/loss on disposal of fixed assets	(5,740)	50,988
Investments written-off	9,002	19,166
Finance costs	42,902	63,063
Finance income	(8,861)	(12,107)
	<u>2,200,878</u>	<u>2,459,006</u>
Decrease in stocks	170,273	73,781
Decrease in trade and other debtors	657,911	886,262
Increase/(decrease) in trade and other creditors	<u>282,567</u>	<u>(1,061,716)</u>
Cash generated from operations	<u><u>3,311,629</u></u>	<u><u>2,357,333</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31/3/21 £	1/4/20 £
Cash and cash equivalents	<u><u>5,257,883</u></u>	<u><u>2,888,364</u></u>

Year ended 31 March 2020

	31/3/20 £	1/4/19 £
Cash and cash equivalents	<u><u>2,888,364</u></u>	<u><u>2,312,059</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	<u>2,888,364</u>	<u>2,369,519</u>	<u>5,257,883</u>
	<u>2,888,364</u>	<u>2,369,519</u>	<u>5,257,883</u>
Debt			
Finance leases	<u>(1,679,789)</u>	<u>518,378</u>	<u>(1,161,411)</u>
	<u>(1,679,789)</u>	<u>518,378</u>	<u>(1,161,411)</u>
Total	<u><u>1,208,575</u></u>	<u><u>2,887,897</u></u>	<u><u>4,096,472</u></u>

The notes form part of these financial statements

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. STATUTORY INFORMATION

A. McLay and Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The company's functional and presentational currency in the financial statements is the Sterling (£), rounded to the nearest pound.

The significant accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The group and company's business activities, together with the factors likely to affect its future development, performance, financial position, its cash flows, liquidity position, principal risks and uncertainties affecting the business are set out in the Group Strategic Report.

The uncertainty as to the future impact on the group and company due to the COVID-19 outbreak has been considered as part of the group and company's adoption of the going concern basis.

To date, the group and company have closely monitored the impact on activities due to COVID-19. The business has been classified as an essential service by the Government and remained operational throughout the pandemic.

Management have clear visibility into the supply chain and are in regular communication with customers. As such, they are comfortable that any potential issue would be identified at source, with mitigating actions put in place. To date, management have managed stock levels to reduce working capital requirements, selectively used the government furlough scheme and refocused certain discretionary costs. Furthermore, as part of business planning and mitigating activities, directors undertake regular reviews to ensure they have the most up to date information to hand to inform business decisions to achieve their priorities.

The uncertainty as to the future impact on the group and company following Brexit has also been considered as part of the group and company's adoption of the going concern basis.

The directors have prepared forecasts for a period of 12 months from the approval date of the financial statements, specifically incorporating the impact of COVID-19 and Brexit. Following a review of the group and company's forecasts and projections taking account of reasonably possible changes in trading performance and a discussion of the sensitivities, the directors have a reasonable expectation that the group and company will be able to operate with sufficient headroom and will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of disclosure exemptions available under FRS 102. No statement of cash flows has been presented by the parent company, no disclosures have been given for the aggregate remuneration of the key management personnel of the parent company and the company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive income in these financial statements.

2. ACCOUNTING POLICIES - continued

Basis of consolidation

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

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

Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Depreciation

The group exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Provisions

Provisions have been made for trade debtors and for slow moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Stock valuation

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2. ACCOUNTING POLICIES - continued

Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from the sale of printed goods is recognised when the significant risks and benefits of ownership of the documents have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

Operating leases

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

Interest income

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

Grant income received

All grant income received relates to claims made under the Coronavirus Job Retention Scheme.

Government grants in respect of capital expenditure are treated as deferred income and are credited to the Consolidated Statement of Comprehensive Income over the useful life of the assets to which they relate.

Revenue grants are credited to the Consolidated Statement of Comprehensive Income as the related expenditure is incurred.

There are no present indications that any grants will need to be repaid.

Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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. Computer software is amortised on a straight line basis over 3 years. However, if a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

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 profit or loss 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, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	7-11 years
Motor vehicles	4 years
Fixtures and fittings	3-10 years
Office equipment	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 profit or loss.

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

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

Debtors

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

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.

Creditors

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

Provisions for liabilities

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

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

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

Financial instruments

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

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

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

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

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

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group and company operates and generates income.

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

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

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

Foreign currencies

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

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary 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.

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

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

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

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

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2021 £	2020 £
Print manufacturing	14,076,168	17,330,941
Postal operations	7,222,477	7,787,857
	<u>21,298,645</u>	<u>25,118,798</u>

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2021 £	2020 £
Discounts received	34,565	34,820
Sundry receipts	-	14,856
Government grants	612,876	-
	<u>647,441</u>	<u>49,676</u>

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	4,893,385	5,289,657
Social security costs	471,402	524,345
Other pension costs	280,423	326,732
	<u>5,645,210</u>	<u>6,140,734</u>

A. MCLAY AND COMPANY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2021	2020
Production staff	108	113
Distribution staff	14	14
Administrative staff	32	35
	<u>154</u>	<u>162</u>

	2021 £	2020 £
Directors' remuneration	487,102	341,362
Directors' pension contributions to money purchase schemes	<u>44,640</u>	<u>66,650</u>

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	146,314	147,700
Pension contributions to money purchase schemes	<u>13,440</u>	<u>13,450</u>

During the year retirement benefits were accruing to 4 directors (2020 - 2) in respect of defined contribution pension schemes.

6. OPERATING PROFIT

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

	2021 £	2020 £
Depreciation - owned assets	477,546	246,897
Depreciation - assets on hire purchase contracts	697,148	862,583
(Profit)/loss on disposal of fixed assets	(5,740)	50,988
Computer software amortisation	-	19,166
Auditors' remuneration	21,500	20,600
Auditors' remuneration - prior year under accrual	10,175	-
Taxation compliance services - prior year under accrual	8,212	-
Taxation compliance services	2,500	6,450
Other taxation services	-	700
Other non - audit services prior year	3,668	2,575
Foreign exchange differences	<u>642</u>	<u>56</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Deposit account interest	8,809	12,107
Other interest receivable	52	-
	<u>8,861</u>	<u>12,107</u>

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank interest	75	-
Interest payable	964	-
Hire purchase interest	41,863	63,063
	<u>42,902</u>	<u>63,063</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	270,352	279,422
Prior year under/(over) provision	(25,254)	(55,911)
Total current tax	245,098	223,511
Deferred tax	(77,057)	14,894
Tax on profit	<u>168,041</u>	<u>238,405</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>988,881</u>	<u>1,228,416</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	187,887	233,399
Effects of:		
Expenses not deductible for tax purposes	12,921	17,275
Adjustments to tax charge in respect of previous periods	(25,254)	(51,413)
Non-qualifying depreciation	-	11,627
Deferred tax not provided	-	(250)
Change in deferred tax rate	-	27,767
Adjustments to tax charge in respect of previous periods - deferred tax	(7,513)	-
Total tax charge	<u>168,041</u>	<u>238,405</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

A. MCLAY AND COMPANY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

11. DIVIDENDS

	2021 £	2020 £
Dividends paid	500	395,000
	<u>500</u>	<u>395,000</u>

12. INTANGIBLE FIXED ASSETS

Group

	Computer software £
COST	
At 1 April 2020	62,718
Disposals	(62,718)
At 31 March 2021	-
AMORTISATION	
At 1 April 2020	62,718
Eliminated on disposal	(62,718)
At 31 March 2021	-
NET BOOK VALUE	
At 31 March 2021	-
At 31 March 2020	-

Company

	Computer software £
COST	
At 1 April 2020	62,718
Disposals	(62,718)
At 31 March 2021	-
AMORTISATION	
At 1 April 2020	62,718
Eliminated on disposal	(62,718)
At 31 March 2021	-
NET BOOK VALUE	
At 31 March 2021	-
At 31 March 2020	-

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

13. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and Fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2020	10,556,938	914,032	35,948	11,506,918
Additions	144,784	179,684	-	324,468
Disposals	(305,000)	-	-	(305,000)
At 31 March 2021	10,396,722	1,093,716	35,948	11,526,386
DEPRECIATION				
At 1 April 2020	6,746,475	740,673	23,956	7,511,104
Charge for year	1,074,570	88,132	11,992	1,174,694
Eliminated on disposal	(305,000)	-	-	(305,000)
At 31 March 2021	7,516,045	828,805	35,948	8,380,798
NET BOOK VALUE				
At 31 March 2021	2,880,677	264,911	-	3,145,588
At 31 March 2020	3,810,463	173,359	11,992	3,995,814

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and Fittings £	Totals £
COST			
At 1 April 2020	5,239,639	-	5,239,639
Additions	-	174,684	174,684
At 31 March 2021	5,239,639	174,684	5,414,323
DEPRECIATION			
At 1 April 2020	2,375,555	-	2,375,555
Charge for year	658,329	38,819	697,148
At 31 March 2021	3,033,884	38,819	3,072,703
NET BOOK VALUE			
At 31 March 2021	2,205,755	135,865	2,341,620
At 31 March 2020	2,864,084	-	2,864,084

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

13. TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery £	Fixtures and Fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2020	10,556,938	885,435	35,948	11,478,321
Additions	144,784	179,684	-	324,468
Disposals	(305,000)	-	-	(305,000)
At 31 March 2021	10,396,722	1,065,119	35,948	11,497,789
DEPRECIATION				
At 1 April 2020	6,746,475	715,671	23,956	7,486,102
Charge for year	1,074,570	86,262	11,992	1,172,824
Eliminated on disposal	(305,000)	-	-	(305,000)
At 31 March 2021	7,516,045	801,933	35,948	8,353,926
NET BOOK VALUE				
At 31 March 2021	2,880,677	263,186	-	3,143,863
At 31 March 2020	3,810,463	169,764	11,992	3,992,219

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and Fittings £	Totals £
COST			
At 1 April 2020	5,239,639	-	5,239,639
Additions	-	174,684	174,684
At 31 March 2021	5,239,639	174,684	5,414,323
DEPRECIATION			
At 1 April 2020	2,375,555	-	2,375,555
Charge for year	658,329	38,819	697,148
At 31 March 2021	3,033,884	38,819	3,072,703
NET BOOK VALUE			
At 31 March 2021	2,205,755	135,865	2,341,620
At 31 March 2020	2,864,084	-	2,864,084

A. MCLAY AND COMPANY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

14. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 April 2020	13,502
Disposals	(13,502)
At 31 March 2021	-
NET BOOK VALUE	
At 31 March 2021	-
At 31 March 2020	13,502

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 April 2020	600	13,502	14,102
Disposals	-	(13,502)	(13,502)
At 31 March 2021	600	-	600
NET BOOK VALUE			
At 31 March 2021	600	-	600
At 31 March 2020	600	13,502	14,102

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Living Data @ McLays Limited

Registered office: Longwood Drive, Forest Farm, County of Cardiff, CF14 7ZB

Nature of business: data solutions and software development

Class of shares:	% holding
Ordinary	60.00

15. STOCKS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Stocks	3,618	35,172	3,618	35,172
Raw materials	173,172	171,647	173,172	171,647
Work-in-progress	148,700	288,944	148,700	288,944
	<u>325,490</u>	<u>495,763</u>	<u>325,490</u>	<u>495,763</u>

A. MCLAY AND COMPANY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,699,752	3,375,386	2,667,617	3,332,256
Amounts owed by group undertakings	-	-	207,319	259,579
Other debtors	55,658	2,400	55,658	2,400
Prepayments and accrued income	318,329	353,864	318,329	353,864
	<u>3,073,739</u>	<u>3,731,650</u>	<u>3,248,923</u>	<u>3,948,099</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Hire purchase contracts (see note 19)	703,695	716,687	703,695	716,687
Trade creditors	2,222,602	2,022,840	2,222,602	2,022,840
Corporation tax	123,108	122,973	151,457	162,046
Social security and other taxes	108,206	113,939	104,488	109,338
VAT	18,852	41,833	8,754	30,847
Other creditors	3,029	4,242	187	-
Directors' current accounts	170,000	-	170,000	-
Accruals and deferred income	389,892	277,160	379,892	277,157
	<u>3,739,384</u>	<u>3,299,674</u>	<u>3,741,075</u>	<u>3,318,915</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Hire purchase contracts (see note 19)	<u>457,716</u>	<u>963,102</u>	<u>457,716</u>	<u>963,102</u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	703,695	716,687
Between one and five years	457,716	963,102
	<u>1,161,411</u>	<u>1,679,789</u>

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

19. LEASING AGREEMENTS - continued

Company

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	703,695	716,687
Between one and five years	457,716	963,102
	<u>1,161,411</u>	<u>1,679,789</u>

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	346,408	359,092
Between one and five years	1,228,107	1,207,415
In more than five years	2,102,500	2,392,500
	<u>3,677,015</u>	<u>3,959,007</u>

Lease payments recognised as an expense during the year amounted to £425,425 (2020: £339,665).

Company

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	346,408	359,092
Between one and five years	1,228,107	1,207,415
In more than five years	2,102,500	2,392,500
	<u>3,677,015</u>	<u>3,959,007</u>

Lease payments recognised as an expense during the year amounted to £425,425 (2020: £339,665).

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax	<u>171,510</u>	<u>248,567</u>	<u>175,042</u>	<u>248,567</u>
Group				
				Deferred tax
				£
Balance at 1 April 2020				248,567
Utilised during year				(77,057)
Balance at 31 March 2021				<u>171,510</u>

A. MCLAY AND COMPANY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

20. PROVISIONS FOR LIABILITIES - continued

Company	Deferred tax £
Balance at 1 April 2020	248,567
Utilised during year	(73,525)
Balance at 31 March 2021	<u>175,042</u>

21. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Authorised		
352,000 (2020 - 352,000) Ordinary shares of £0.25 each	88,000	88,000
48,000 (2020 - 48,000) 'A' Ordinary shares of £0.25 each	12,000	12,000
75,000 (2020 - 75,000) Non-cumulative preference shares of £0.25 each	18,750	18,750
75,000 (2020 - 75,000) Cumulative preference shares of £0.25 each	18,750	18,750
	<u>137,500</u>	<u>137,500</u>
Allotted, called up and fully paid		
263,000 (2020 - 263,000) Ordinary shares of £0.25 each	65,750	65,750
20,000 (2020 - 20,000) Non-cumulative preference shares of £0.25 each	5,000	5,000
	<u>70,750</u>	<u>70,750</u>

22. RESERVES

Group	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2020	6,535,779	66,702	6,602,481
Profit for the year	801,943		801,943
Dividends	(500)		(500)
At 31 March 2021	<u>7,337,222</u>	<u>66,702</u>	<u>7,403,924</u>
Company			
	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2020	6,624,601	66,702	6,691,303
Profit for the year	773,595		773,595
Dividends	(500)		(500)
At 31 March 2021	<u>7,397,696</u>	<u>66,702</u>	<u>7,464,398</u>

A. MCLAY AND COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

22. RESERVES - continued

Capital redemption reserve

The capital redemption reserve includes amounts transferred following redemption or purchase of the company's own shares.

23. PENSION COMMITMENTS

The group and company operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group and company in an independent fund. The pension costs charged represent contributions payable by the company to the fund.

The Group made contributions of £280,423 (2020 - £326,732) during the year. The company made contributions of £276,569 (2020: £313,564) during the year. At year end there were outstanding company and group contributions of £12,909 (2020: £15,000).

24. RELATED PARTY DISCLOSURES

During the year the company entered into transactions in the ordinary course of business with related parties as follows:

Group:

2021

	Purchases	Amount due (to) /from at year end
	£	£
Other related parties	61,195	(170,000)

2020

	Sales	Purchases	Amount due (to) /from at year end
		£	£
Other related parties	18,653	69,013	(2,600)

Company:

2021

	Purchases	Amount due (to) /from at year end
	£	£
Entity over which A McLay and Company Limited has control	150,479	207,319
Other related parties	61,195	(170,000)

2020

	Sales	Purchases	Rental income	Amount due (to) /from at year end
		£	£	£
Entity over which A McLay and Company Limited has control	-	163,000	9,000	259,579
Other related parties	18,653	69,013	-	(2,600)

Total remuneration of key management personnel amounted to £838,249 (2020: £418,574).