

Registered number: (England & Wales) 07064062

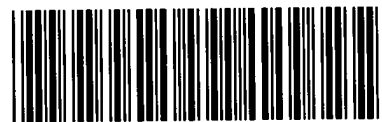
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COMPANIES HOUSE

2DS & TGA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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COMPANIES HOUSE

2DS & TGA HOLDINGS LIMITED

COMPANY INFORMATION

Director	D T Stone
Registered number	07064062
Registered office	4 & 5 The Cedars Apex 12 Old Ipswich Road Colchester Essex CO7 7QR
Trading Address	Woodhall Business Park Sudbury Suffolk CO10 1WH
Independent auditors	Griffin Chapman Chartered Accountants & Statutory Auditors 4 & 5 The Cedars Apex 12 Old Ipswich Road Colchester Essex CO7 7QR

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Introduction

The purpose of the strategic report is to inform members of the company and help them assess how the director has performed their duty.

Business review

The principal activity of the group throughout the year was the sale of mobility scooters and other associated mobility equipment via trade, direct and retail routes to market.

The first half of the financial year demonstrated year on year growth in line with targets. However, the second half of our financial year was impacted by the Coronavirus crisis. The second half of our year contains our busier Spring and Summer months, we have therefore seen reduced sales compared to the previous year. Gross profit for the year dropped from 26% to 21%. The current ratio for the company remained above 3, dropping from 3.4 at the end of last year to 3.3 at the year ended 30 September 2020.

We remained open throughout, as a producer and distributor of medical devices and as part of the health and social care supply chain. End users of our products largely fall within vulnerable categories, so we quickly had to adapt and implement safety procedures in line with guidance.

April and May were hit hardest by restrictions. Many trade customers were closed and those remaining open were operating on a reduced or appointment only basis. Motability suspended operations for the quarter and our end users were largely shielding. Reaching our audience was therefore difficult, but we continued communicating and operating as best as possible.

Our customers are, in many cases, totally reliant on our products. With many distributors closed, we were able to provide support and we consider this continuity important for customers as and when we emerge from the crisis. Some sales were made, but clearly normal operations were not possible.

We utilised the furlough scheme during initial lockdown months, followed by measures to maintain service and supply levels whilst making efficiencies throughout. We kept communicating with all suppliers to ensure they were aware of the UK situation and to prevent any contractual or supply issues.

As restrictions were lifted, we saw a reasonable recovery from the latter part of June onwards. It has clearly been a challenging year for any business to navigate but we have remained operational throughout and have fully utilised our time to rework and refocus many areas of the business. We have been impacted but feel well positioned to emerge positively as the situation allows.

2DS & TGA HOLDINGS LIMITED

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

Principal risks and uncertainties

Principal risks and uncertainties are largely external, areas such as supply chain failure, regulatory changes but also the current political and economic uncertainty impacting upon our market and imports.

The initial and obvious uncertainty exists around when, as a country, we emerge from the crisis and what consumer confidence looks like as we do. We are fortunate to be in a market where there is a need for our products. Confidence does need to exist in our customers in terms of their health and the vaccine rollout.

Obvious uncertainty exists over how long the situation will go on for and to what degree it impacts upon the following financial year.

We have seen strong demand from people wanting independence after feeling very restricted and not wanting personal mobility issues to restrict them further. Travel restrictions have meant less demand for smaller transportable products but more demand for larger outdoor products, which has always been a strong element of our range.

Supply and stock levels have been a challenge to manage throughout, but we haven't had any significant supply issues and we have worked closely with suppliers to manage stock and consequently cash flow. Suppliers have all been impacted by the crisis in different ways due to all markets around the world being affected. We are closely aligned with our main suppliers after many years of trading and have communicated closely to ensure we are aware of any potential issues within the supply chain.

Freight and shipping costs have seen considerable increases following the crisis. We are currently absorbing increased costs but need to review if costs don't stabilise.

This report was approved by the board on 9 March 2021 and signed on its behalf.



D T Stone
Director

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The director presents his report and the financial statements for the year ended 30 September 2020.

Director's responsibilities statement

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £194,117 (2019 - £756,928).

During the year, dividends totalling £225,000 were paid.

Director

The director who served during the year was:

D T Stone

Future developments

We have focused on infrastructure and systems whilst working through the year. Many processes have been simplified and efficiencies made to recover lost revenues and ensure we are in the best possible position moving forward.

Our focus has been on customer service, developing marketing strategies and continuing to communicate with customers. We did see a pent-up demand when the first lockdown was lifted and hope the added reassurance of the vaccine rollout will result in strong demand for mobility and independence when the current situation eases.

Product range is strong and has been simplified. We have new products for 2021, some with existing suppliers and some with new. We therefore feel we have spread any risk as far as possible. A new website will be introduced Spring 2021 and marketing budget has shifted from traditional media to digital.

2DS & TGA HOLDINGS LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

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

Post balance sheet events

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

Auditors

The auditors, Griffin Chapman, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

9 March 2021

and signed on its behalf.



D T Stone
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2DS & TGA HOLDINGS LIMITED

Opinion

We have audited the financial statements of 2DS & TGA Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2020, which comprise the Group Profit and loss account, the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

2DS & TGA HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2DS & TGA HOLDINGS LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 Director's responsibilities statement on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

2DS & TGA HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2DS & TGA HOLDINGS LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Daniel Aldworth (Senior statutory auditor)

for and on behalf of
Griffin Chapman

Chartered Accountants
Statutory Auditors

4 & 5 The Cedars
Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR

Date: 18 March 2021

2DS & TGA HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Turnover	4	9,597,077	12,427,334
Cost of sales		(7,631,316)	(9,218,548)
Gross profit		1,965,761	3,208,786
Distribution costs		(478,593)	(759,435)
Administrative expenses		(1,433,556)	(1,529,407)
Other operating income	5	204,315	16,392
Operating profit	6	257,927	936,336
Interest receivable and similar income		606	1,561
Interest payable and similar expenses	10	(13,215)	(5,528)
Profit before tax		245,318	932,369
Tax on profit	11	(51,201)	(175,441)
Profit for the financial year		194,117	756,928
Profit for the year attributable to:			
Owners of the parent		194,117	756,928
		194,117	756,928

The notes on pages 18 to 39 form part of these financial statements.

2DS & TGA HOLDINGS LIMITED

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

	Note	2020 £	2019 £
Profit for the financial year		194,117	756,928
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets		22,717	-
Other comprehensive income for the year		22,717	-
Total comprehensive income for the year		<u>216,834</u>	<u>756,928</u>
Profit for the year attributable to:			
Owners of the parent Company		194,117	756,928
		<u>194,117</u>	<u>756,928</u>
Total comprehensive income attributable to:			
Owners of the parent Company		216,834	756,928
		<u>216,834</u>	<u>756,928</u>

The notes on pages 18 to 39 form part of these financial statements.

2DS & TGA HOLDINGS LIMITED
REGISTERED NUMBER: 07064062

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	222,067	359,223
Investment property	17	157,000	-
		<u>379,067</u>	<u>359,223</u>
Current assets			
Stocks	18	3,957,054	3,573,773
Debtors	19	1,462,707	1,533,912
Cash at bank and in hand	20	1,522,527	590,791
		<u>6,942,288</u>	<u>5,698,476</u>
Creditors: amounts falling due within one year	21	(2,085,655)	(1,653,040)
Net current assets		<u>4,856,633</u>	<u>4,045,436</u>
Total assets less current liabilities		<u>5,235,700</u>	<u>4,404,659</u>
Creditors: amounts falling due after more than one year	22	(1,006,264)	(168,764)
Provisions for liabilities			
Deferred taxation	26	(28,560)	(26,853)
Other provisions	27	(451,298)	(451,298)
		<u>(479,858)</u>	<u>(478,151)</u>
Net assets excluding pension asset		<u>3,749,578</u>	<u>3,757,744</u>
Net assets		<u><u>3,749,578</u></u>	<u><u>3,757,744</u></u>
Capital and reserves			
Called up share capital	28	400	400
Revaluation reserve	29	22,717	-
Profit and loss account	29	3,726,461	3,757,344
Equity attributable to owners of the parent Company		<u>3,749,578</u>	<u>3,757,744</u>
		<u><u>3,749,578</u></u>	<u><u>3,757,744</u></u>

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

2DS & TGA HOLDINGS LIMITED
REGISTERED NUMBER: 07064062

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020



D T Stone
Director

The notes on pages 18 to 39 form part of these financial statements.


2DS & TGA HOLDINGS LIMITED
REGISTERED NUMBER: 07064062

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	16	1,149,550	1,149,550
		<u>1,149,550</u>	<u>1,149,550</u>
Total assets less current liabilities		1,149,550	1,149,550
Net assets excluding pension asset		<u>1,149,550</u>	<u>1,149,550</u>
Net assets		<u><u>1,149,550</u></u>	<u><u>1,149,550</u></u>
Capital and reserves			
Called up share capital	28	400	400
Profit and loss account	29	1,149,150	1,149,150
		<u>1,149,550</u>	<u>1,149,550</u>

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

9 March 2021



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D T Stone
 Director

The notes on pages 18 to 39 form part of these financial statements.

2DS & TGA HOLDINGS LIMITED

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

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 October 2018	400	-	3,225,416	3,225,816
Comprehensive income for the year				
Profit for the year	-	-	756,928	756,928
Total comprehensive income for the year	-	-	756,928	756,928
Dividends: Equity capital	-	-	(225,000)	(225,000)
Total transactions with owners	-	-	(225,000)	(225,000)
At 1 October 2019	400	-	3,757,344	3,757,744
Comprehensive income for the year				
Profit for the year	-	-	194,117	194,117
Surplus on revaluation of freehold property	-	22,717	-	22,717
Total comprehensive income for the year	-	22,717	194,117	216,834
Dividends: Equity capital	-	-	(225,000)	(225,000)
Total transactions with owners	-	-	(225,000)	(225,000)
At 30 September 2020	400	22,717	3,726,461	3,749,578

The notes on pages 18 to 39 form part of these financial statements.

2DS & TGA HOLDINGS LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2018	400	1,149,150	1,149,550
Comprehensive income for the year			
Profit for the year	-	225,000	225,000
Contributions by and distributions to owners			
Dividends: Equity capital	-	(225,000)	(225,000)
At 1 October 2019	400	1,149,150	1,149,550
Comprehensive income for the year			
Profit for the year	-	225,000	225,000
Contributions by and distributions to owners			
Dividends: Equity capital	-	(225,000)	(225,000)
At 30 September 2020	400	1,149,150	1,149,550

The notes on pages 18 to 39 form part of these financial statements.

2DS & TGA HOLDINGS LIMITED

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

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	194,117	756,928
Adjustments for:		
Depreciation of tangible assets	95,955	84,370
Loss on disposal of tangible assets	(4,800)	(12,140)
Government grants	(187,990)	-
Interest paid	13,215	5,528
Interest received	(606)	(1,561)
Taxation charge	51,201	175,441
(Increase) in stocks	(383,281)	(446,532)
Decrease/(increase) in debtors	71,205	(190,116)
Increase/(decrease) in creditors	312,661	(810,085)
Increase/(decrease) in provisions	-	(22,415)
Corporation tax (paid)	(64,449)	(286,152)
Net cash generated from operating activities	97,228	(746,734)
Cash flows from investing activities		
Purchase of tangible fixed assets	(93,079)	(174,890)
Sale of tangible fixed assets	4,799	12,140
Government grants received	187,990	-
Interest received	606	1,561
HP interest paid	(4,003)	(2,891)
Net cash from investing activities	96,313	(164,080)
Cash flows from financing activities		
New secured loans	950,000	-
Repayment of loans	(3,655)	(4,406)
Repayment of/new finance leases	26,063	113,413
Dividends paid	(225,000)	(225,000)
Interest paid	(9,213)	(2,637)
Net cash used in financing activities	738,195	(118,630)
Net increase/(decrease) in cash and cash equivalents	931,736	(1,029,444)
Cash and cash equivalents at beginning of year	590,791	1,620,235

2DS & TGA HOLDINGS LIMITED

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

	2020 £	2019 £
Cash and cash equivalents at the end of year	<u>1,522,527</u>	<u>590,791</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>1,522,527</u>	<u>590,791</u>
	<u>1,522,527</u>	<u>590,791</u>

The notes on pages 18 to 39 form part of these financial statements.

2DS & TGA HOLDINGS LIMITED

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

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	590,791	931,736	1,522,527
Debt due after 1 year	(81,631)	(820,869)	(902,500)
Debt due within 1 year	(197,371)	(172,771)	(370,142)
Finance leases	(126,903)	(26,063)	(152,966)
	<u>184,886</u>	<u>(87,967)</u>	<u>96,919</u>

The notes on pages 18 to 39 form part of these financial statements.

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

1. General information

The group and company are limited by shares and incorporated in England and Wales.

The principal activity of the group continues to be the sale of mobility scooters and other associated mobility equipment.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

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.

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

2. Accounting policies (continued)

2.3 Going concern

The director assesses whether the use of going concern is appropriate, i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern.

The director makes this assessment in respect of a period of at least one year from the date of the authorisation for issue of the financial statements and has concluded that the group has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the group's ability to continue as a going concern, thus the going concern basis of accounting is adopted.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.5 Revenue

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

Sale of goods

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

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

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

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

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

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

2.7 Leased assets: the Group as lessee

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

2.8 Government grants

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

Grants of a revenue nature are recognised in the Consolidated profit and loss account in the same period as the related expenditure.

The Coronavirus Business Interruption Loan includes a period during which interest is paid by the UK government. Interest of this nature is charged to the profit and loss account with a corresponding amount recognised as government grant income.

2.9 Interest income

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

2.10 Finance costs

Finance costs are charged to profit or loss 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.

2.11 Borrowing costs

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

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

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

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

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

2.13 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

2. Accounting policies (continued)

2.14 Intangible assets

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

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

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

Goodwill is the difference between amounts paid on acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Statement of comprehensive income over its estimated economic life.

2.15 Tangible fixed assets

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

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

Depreciation is 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:

Freehold property	- 2% straight line
Leasehold alterations	- Straight line over the life of the lease relevant at the time of addition
Plant and machinery	- 25% and 33.3% per annum on cost
Motor vehicles	- 25% per annum on cost
Fixtures, fittings and equipment	- 25% per annum on cost

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.

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

2. Accounting policies (continued)

2.16 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market values for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Stocks

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

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

2.19 Debtors

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

2.20 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.

2.21 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.

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

2. Accounting policies (continued)

2.22 Provisions for liabilities

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

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

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

2.23 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 profit and loss account.

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.

2.24 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.

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

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

In the process of applying the Group and Company's accounting policies, which are described above, management has made some judgements that have significant effect on the amounts recognised in the financial statements. These also include key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Stock

Stock is stated at the lower of cost (first-in-first-out method) or net realisable value. Stock provisions are recognised for slow-moving, obsolete or unsalable inventory and are reviewed on a periodic basis.

At the year end, there were provisions made for stock where management believed the stock had either become obsolete or was no longer useable.

This figure is incorporated into the value of closing stock at year end.

Warranty provision

Provisions for product warranties are based on current volumes of products sold still under warranty and estimates and assumptions regarding future quality rates for new products and estimates of costs to remedy the various qualitative issues that might occur.

Whether a present obligation is probable or not requires judgment. Management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

4. Turnover

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

	2020 £	2019 £
Sale of goods	9,597,077	12,427,334
	<u>9,597,077</u>	<u>12,427,334</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	9,175,282	11,851,995
Rest of Europe	421,795	575,339
	<u>9,597,077</u>	<u>12,427,334</u>

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

5. Other operating income

	2020 £	2019 £
Other operating income	16,325	16,392
Government grants receivable	187,990	-
	<u>204,315</u>	<u>16,392</u>

Government grants include those received under the Coronavirus Job Retention Scheme and interest paid by the UK government on the Coronavirus Business Interruption Loan.

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Exchange differences	40,437	(32,264)
Other operating lease rentals	177,706	195,236
	<u>218,143</u>	<u>162,972</u>

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	8,850	8,750
	<u>8,850</u>	<u>8,750</u>

Fees payable to the Group's auditor and its associates in respect of:

All other services	9,501	22,806
	<u>9,501</u>	<u>22,806</u>

2DS & TGA HOLDINGS LIMITED

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

8. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	1,360,322	<i>1,283,054</i>	-	-
Social security costs	113,756	<i>100,850</i>	-	-
Cost of defined contribution scheme	107,698	<i>126,992</i>	-	-
	1,581,776	<i>1,510,896</i>	-	-

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

	2020 No.	<i>2019 No.</i>
Sales & administration	32	<i>31</i>
Warehouse & distribution	24	<i>23</i>
Management	6	<i>7</i>
	62	<i>61</i>

2DS & TGA HOLDINGS LIMITED

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

9. Director's remuneration

	2020 £	2019 £
Director's emoluments including benefits in kind	25,905	29,925
Company contributions to defined contribution pension schemes	40,278	54,578
	<u>66,183</u>	<u>84,503</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

This is in relation to the subsidiary company and amounts paid by the subsidiary.

The Company has no employees other than the director, who was not paid through the Company for this and the preceding year.

The key management personnel of the group comprise the directors, the senior finance staff and management consultant. The total amount of employee benefits (including employer pension contributions and benefits in kind) and consideration paid by the company in exchange for key management services to the group was £280,882 (2019: £422,108).

Due to the changes in the company during the year, a change in those included in this key management disclosure has been made compared to last year, to more accurately reflect the structure within the organisation.

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	9,212	2,637
Finance leases and hire purchase contracts	4,003	2,891
	<u>13,215</u>	<u>5,528</u>

2DS & TGA HOLDINGS LIMITED

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

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	49,494	164,442
	<u>49,494</u>	<u>164,442</u>
Total current tax	<u>49,494</u>	<u>164,442</u>
Deferred tax		
Origination and reversal of timing differences	1,707	10,999
Total deferred tax	<u>1,707</u>	<u>10,999</u>
Taxation on profit on ordinary activities	<u>51,201</u>	<u>175,441</u>
Factors affecting tax charge for the year		

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>245,318</u>	<u>932,369</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	46,610	177,150
Effects of:		
Expenses not deductible for tax purposes	540	901
Capital allowances for year in excess of depreciation	-	(13,609)
Depreciation in excess of capital allowances	2,344	-
Deferred tax	1,037	10,999
Deferred tax relating to items within other comprehensive income	670	-
Total tax charge for the year	<u>51,201</u>	<u>175,441</u>

Factors that may affect future tax charges

2DS & TGA HOLDINGS LIMITED

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

11. Taxation (continued)

There were no factors that may affect future tax charges.

12. Dividends

	2020 £	2019 £
Dividends paid on equity capital	225,000	225,000
	<u>225,000</u>	<u>225,000</u>

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements. The profit after tax of the parent Company for the year was £225,000 (2019 - £225,000).

14. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 October 2019	190,000
At 30 September 2020	<u>190,000</u>
Amortisation	
At 1 October 2019	190,000
At 30 September 2020	<u>190,000</u>
Net book value	
At 30 September 2020	<u>-</u>
At 30 September 2019	<u>-</u>

2DS & TGA HOLDINGS LIMITED

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

15. Tangible fixed assets

Group

	Freehold property £	Leasehold alterations £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 October 2019	144,650	37,642	85,029	420,696	78,524	766,541
Additions	-	27,579	7,826	53,342	4,332	93,079
Disposals	-	-	-	(42,215)	-	(42,215)
Transfers between classes	(144,650)	-	-	-	-	(144,650)
At 30 September 2020	-	65,221	92,855	431,823	82,856	672,755
Depreciation						
At 1 October 2019	9,884	37,642	62,162	232,421	65,209	407,318
Charge for the year on owned assets	483	1,361	13,353	73,747	7,009	95,953
Disposals	-	-	-	(42,216)	-	(42,216)
Transfers between classes	(10,367)	-	-	-	-	(10,367)
At 30 September 2020	-	39,003	75,515	263,952	72,218	450,688
Net book value						
At 30 September 2020	-	26,218	17,340	167,871	10,638	222,067
At 30 September 2019	134,766	-	22,867	188,275	13,315	359,223

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

	2020 £	2019 £
Motor vehicles	101,017	143,785
	<u>101,017</u>	<u>143,785</u>

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

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2019	1,149,550
At 30 September 2020	<u>1,149,550</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
TGA Mobility Limited	Same as parent	Sale of mobility scooters and other associated equipment	Ordinary	100%

The aggregate of the share capital and reserves as at 30 September 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
TGA Mobility Limited	3,749,575	194,116

2DS & TGA HOLDINGS LIMITED

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

17. Investment property

Group

		Freehold investment property £
Valuation		
Surplus on revaluation		22,717
Transfers between classes		134,283
At 30 September 2020		157,000
	2020 £	2019 £
Revaluation reserves		
Net movement properties	(22,717)	-
At 30 September 2020	(22,717)	-

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2020 £	2019 £
Historic cost	144,650	-
Accumulated depreciation and impairments	(10,367)	-
	134,283	-

18. Stocks

	Group 2020 £	Group 2019 £
Raw materials and finished goods	3,957,054	3,573,773
	3,957,054	3,573,773

2DS & TGA HOLDINGS LIMITED

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

19. Debtors

	Group 2020 £	Group 2019 £
Trade debtors	1,115,657	1,244,209
Other debtors	6,426	121,078
Prepayments and accrued income	340,624	168,625
	<u>1,462,707</u>	<u>1,533,912</u>

20. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash at bank and in hand	1,522,527	590,791
	<u>1,522,527</u>	<u>590,791</u>

21. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £
Bank loans	129,791	4,315
Trade creditors	631,054	829,322
Corporation tax	49,494	64,449
Other taxation and social security	23,190	27,791
Obligations under finance lease and hire purchase contracts	49,200	39,768
Other creditors	385,985	288,957
Accruals and deferred income	816,941	398,438
	<u>2,085,655</u>	<u>1,653,040</u>

Within other creditors are amounts of £240,351 (2019 - £193,057) due to directors within the group.

2DS & TGA HOLDINGS LIMITED

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

22. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £
Bank loans	902,500	81,631
Net obligations under finance leases and hire purchase contracts	103,764	87,133
	<u>1,006,264</u>	<u>168,764</u>

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

	Group 2020 £	Group 2019 £
Repayable by instalments	142,500	-
	<u>142,500</u>	<u>-</u>

The bank loans are secured via a debenture over company assets and a first charge over the freehold property in favour of National Westminster Bank PLC.

During the year, the company took a Business Interruption Loan of £950,000 supported by the UK government.

Payments of interest for the loan are covered by the UK Government for the first 12 months.

The capital is due to be repayed in sixty equal monthly instalments with the first payment being due 13 months after the loan was drawn down.

Full repayment is due in June 2026.

The interest rate is fixed at 2.76%p.a for the first 60 months, after which it will revert to 2.34% above the bank's base rate.

The company also has a balance remaining on the mortgage it took from National Westminster Bank PLC in 2016. This loan is repayable by monthly instalments and a final instalment of an amount to repay the loan and interest in full at the end of its five year term. Interest is applied at 2.25% p.a. over the bank's base rate.

The balance of this loan is included in amounts due in less than 1 year.

2DS & TGA HOLDINGS LIMITED

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

23. Loans

Analysis of the maturity of loans is given below:

	Group 2020 £	Group 2019 £
Amounts falling due within one year		
Bank loans	129,791	4,315
	<u>129,791</u>	<u>4,315</u>
Amounts falling due 2-5 years		
Bank loans	760,000	81,631
	<u>760,000</u>	<u>81,631</u>
Amounts falling due after more than 5 years		
Bank loans	142,500	-
	<u>1,032,291</u>	<u>85,946</u>

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	49,200	39,768
Between 1-5 years	103,766	87,135
	<u>152,966</u>	<u>126,903</u>

With regards to the hire purchase liabilities, security is held over the assets financed.

2DS & TGA HOLDINGS LIMITED

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

25. Financial instruments

	Group 2020 £	Group 2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	157,000	-
Financial assets that are debt instruments measured at amortised cost	2,644,610	1,956,078
	<u>2,801,610</u>	<u>1,956,078</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,225,485)</u>	<u>(1,358,920)</u>

Financial assets measured at fair value through profit or loss comprise investment property.

Financial assets that are debt instruments measured at amortised cost comprise: all debtors and bank and cash balances and excludes prepayments & accrued income.

Financial liabilities measured at amortised cost comprise: all creditors excluding corporation tax and accruals & deferred income.

26. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(26,853)	(15,854)
Charged to profit or loss	(1,707)	(10,999)
At end of year	<u>(28,560)</u>	<u>(26,853)</u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(28,560)	(26,853)
	<u>(28,560)</u>	<u>(26,853)</u>

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

27. Provisions

Group

	Other provision £
At 1 October 2019	451,298
At 30 September 2020	451,298

The other provision relates to the estimated cost to the group of meeting the unexpired warranty obligations on product sales and the constructive obligation in providing customer support.

28. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
400 (2019 - 400) Ordinary shares of £1.00 each	400	400

29. Reserves

Revaluation reserve

The revaluation reserve represents changes in the fair value of investment property. It is a nondistributable reserve.

Profit and loss account

This reserve contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of equity to owners of the company on the statement of changes in equity.

30. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £107,698 (2019 - £126,992). Contributions totalling £4,326 (2019- £4,240) were payable to the fund at the balance sheet date.

2DS & TGA HOLDINGS LIMITED

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

31. Commitments under operating leases

At 30 September 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	172,000	167,500
Later than 1 year and not later than 5 years	143,750	268,000
	315,750	435,500

	Group 2020 £	Group 2019 £
Not later than 1 year	2,807	4,588
Later than 1 year and not later than 5 years	2,062	3,835
	4,869	8,423

32. Controlling party

2DS & TGA Holdings Limited is controlled by D T Stone, by virtue of his majority shareholding.