

Registered number: 08274332

AIREDALE CATERING EQUIPMENT GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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AIREDALE CATERING EQUIPMENT GROUP LIMITED

COMPANY INFORMATION

Directors

Robert Howard Bywell BSc
Paul Woodford
Andrew Wyatt Bristow BSc ACA
Charlotte Elizabeth Bywell BSc ACMA
Anthony Glyn Jones
Barry Desmond Acton
Peter Brock (appointed 26 May 2021)
Balraj Singh Viridi (appointed 26 May 2021)

Registered number

08274332

Registered office

Airedale House
Victoria Road
Eccleshill
Bradford
BD2 2BN

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
St John's House
Haslett Avenue West
Crawley
RH10 1HS

AIREDALE CATERING EQUIPMENT GROUP LIMITED

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AIREDALE CATERING EQUIPMENT GROUP LIMITED

**CONSOLIDATED STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Business review

The Group's key financial and other performance indicators during the year were as follows:

		2020	2019
Turnover	£m	36.8	43.9
Gross profit margin	%	24.2	29.8
(Loss)/profit before taxation	£m	(0.9)	1.4
EBITDA*	£m	2.1	3.5

*EBITDA is calculated by adding back to operating profit the amounts for depreciation, amortisation and exceptional costs as analysed in note 6.

The Group's turnover fell by 16% in 2020 despite the acquisition of the Flowrite business at the end of the previous year, due entirely to the impact of the Covid-19 pandemic on the Group's customers, particularly in the hospitality sector. However, the Group mitigated the reduction in turnover through utilisation of the Government's support schemes (particularly furlough income) and a number of cost reduction initiatives. In light of this, the directors consider that the results for the year and the financial position at the end of the period are satisfactory.

Despite the extended Covid-19 lockdown and restrictions over the hospitality trade in the first half of 2021, management's actions in 2020 have provided the necessary resilience and the Group's trading performance in 2021 has recovered.

Principal risks and uncertainties

The Group operates in a competitive market. However, as noted above the Group has created the position of being one of the market leaders and has increased the proportion of recurring revenues which has reduced risk.

The Group has exposures normally to two main areas of risk - liquidity risk and customer credit exposure. To a lesser extent the Group is exposed to interest rate risk.

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Group has credit facilities available.

Credit exposure

The Group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The Group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**CONSOLIDATED STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

COVID-19 risk

Since the outbreak of the Covid-19 pandemic in early 2020 the Group has been exposed to additional risks due particularly to the impact on the hospitality sector, which has adversely affected the Group's sales, as well as the potential impact on its employees. However, as noted above, the Group has mitigated the reduction in turnover through utilisation of the Government's various support schemes and a tightening of controls over costs and working capital such that the impact on profitability and cashflow has been managed. The business has also carried out various health and safety measures in line with Government guidance in order to, as far as possible, keep its employees safe.

This report was approved by the board on 10 September 2021 and signed on its behalf.


Robert Howard Bywell
Director

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Results and dividends

The loss for the year, after taxation, amounted to £936,000 (2019: *profit* £1,042,000).

The directors did not recommend the payment of dividend in the year (2019: *£Nil*).

Directors

The directors who served during the year were:

Robert Howard Bywell BSc
Paul Woodford
Andrew Wyatt Bristow BSc ACA
Charlotte Elizabeth Bywell BSc ACMA
Anthony Glyn Jones
Barry Desmond Acton (appointed 1 September 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Consolidated strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The directors consider, both individually and together, that they have acted in the way they consider in good faith would be most likely to promote the success of the Company and the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2020 and in creating future business plans ('our plans').

a) Our plans are designed to have a long term beneficial impact on the Group and to contribute to its success by providing our customers with high-quality products and services and well-trusted brands. We achieve these objectives by continuing to monitor market trends, by investing in people and focus on improving our customer service, along with continued focus on bringing new products and services to market that generate value for our customers, employees and stakeholders.

b) Our employees are fundamental to the delivery of our plans. We aim to be a responsible and attractive employer in our approach to the pay and benefits our employees receive and the opportunities they have to grow their careers.

c) Our plans are informed by engagement with our suppliers and customers, enabling us to gain an in depth understanding of their needs and priorities. We aim to act responsibly and fairly in how we engage with all stakeholders.

d) Our plans consider the impact of the Group's operations on the community and environment. We encourage our employees to support the communities that they work in.

e) As directors, our intention is to behave responsibly and ensure that management operates the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours, and in doing so, will contribute positively to the delivery of our plans.

f) As directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally so that they too may benefit from the successful delivery of our plans.

Engagement with employees

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group.

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Qualifying third party indemnity provisions

The Group had qualifying third party indemnity insurance for its directors during the current and prior year.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Streamlined Energy and Carbon Reporting
Greenhouse gas emissions, energy consumption and energy efficiency action

This section includes our mandatory reporting of greenhouse gas emissions for the period 1 January 2020 to 31 December 2020, the latest annual period for which data is available, and is pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Greenhouse gas emissions

We report our emissions using an operational control approach taking data for which we deem ourselves responsible. In the 2020 calendar year our businesses emitted 1,162.7 tonnes of carbon dioxide ('CO2'). Our emissions are principally of CO2 and are from the following sources –

Tonnes of CO2

Purchased electricity	70.6
Gas consumption	13.1
Vehicle fuel	1,079.0
Total	1,162.7

Revenues (£m)	36.8
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We have selected an emissions intensity ratio of 'tonnes of CO2 per £m of revenue' as, in our view, this provides the best comparative measure over time –

2020 Intensity Ratio - 31.6 tonnes of CO2 per £m of revenue

Energy consumption

The Group's total energy consumption, which arose entirely in the UK, was 4.54m kWh. The methodology for calculating this annual energy consumption figure was the same as that outlined above for producing the estimate of the Group's greenhouse gas emissions.

Reducing carbon emissions

During the year we have continued to assess and monitor our energy use with improved data collection and, where practicable, we have implemented measures to reduce the environmental impact of our activities.

Given that the most significant source of our CO2 emissions arises from the fuel consumption by our vehicles (particularly those attributable to our engineers) we are actively seeking to reduce the required mileages driven by them through the following initiatives–

- Changes in distribution of parts to our engineers to reduce travel requirements
- 'Smart kitchen' remote monitoring to reduce unnecessary engineer call outs

Work is also being carried out to reduce 'damage returns' which will also result in lower distribution requirements and the related emissions.

Within our manufacturing facilities and offices we have also introduced various measures to reduce energy consumption. We continue to replace old equipment with newer, more efficient units.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going concern

During the year ended 31 December 2020 the Group made a loss after taxation of £0.94m (2019: profit £1.04m) but had a net cash inflow of £1.17m (2019: £3.77m). At the balance sheet date the Group had net assets of £2.99m (2019: £3.93m), net current assets of £1.47m (2019: £2.24m) and net cash balances of £2.54m (2019: £1.37m).

The directors have prepared detailed profit and loss, balance sheet and cashflow forecasts for the period through to 30 September 2022, with appropriate sensitivities applied to these projections. The projections show that the Group and the Company will maintain adequate cash balances throughout this period and will meet the bank's quarterly covenant tests as required. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group and the Company continues to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

Subsequent to the balance sheet date, the Group submitted to its insurers a claim to recover losses totalling £2.8m under its business interruption policy and received an interim payment of £1m against this claim in April 2021.

In May 2021 the Company's entire share capital was acquired by Doyle Bidco Limited, a company controlled by Rubicon Partners V SCSp.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 September 2021 and signed on its behalf.

Robert Bywell

Robert Howard Bywell
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIREDALE CATERING EQUIPMENT GROUP LIMITED

Opinion

We have audited the financial statements of Airedale Catering Equipment Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows, the Consolidated Analysis of Net debt and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIREDALE CATERING EQUIPMENT GROUP LIMITED (CONTINUED)

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

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

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

Matter on which we are required to report under the Companies Act 2006

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 Consolidated strategic report or the Directors' report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIREDALE CATERING EQUIPMENT GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIREDALE CATERING EQUIPMENT GROUP LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations in the UK).
- We understood how the Group is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team on the areas where fraud might occur included:
 - evaluation of the effectiveness of management's controls designed to prevent and detect irregularities;
 - journal entries testing, with a focus on manual entries, unauthorised user entries and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the Group operates
 - understanding of the legal and regulatory requirements specific to the Group.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIREDALE CATERING EQUIPMENT GROUP LIMITED (CONTINUED)

Use of our report

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

Grant Thornton UK LLP

Christian Heeger BSc FCA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley

10 September 2021

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	4	36,836	43,871
Cost of sales		(27,935)	(30,784)
Gross profit		8,901	13,087
Administrative expenses		(12,316)	(11,493)
Other operating income	5	2,881	-
Operating (loss)/profit	6	(534)	1,594
Interest payable	10	(391)	(234)
(Loss)/profit before taxation		(925)	1,360
Tax on (loss)/profit	11	(11)	(318)
(Loss)/profit for the financial year		(936)	1,042
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(936)	1,042

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 19 to 39 form part of these financial statements.

AIREDALE CATERING EQUIPMENT GROUP LIMITED
REGISTERED NUMBER:08274332

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	12	2,970	3,331
Tangible assets	13	758	1,063
Investments	14	43	43
		<u>3,771</u>	<u>4,437</u>
Current assets			
Stocks	15	4,693	5,150
Debtors: amounts falling due within one year	16	11,018	13,578
Cash at bank and in hand	17	2,995	1,975
		<u>18,706</u>	<u>20,703</u>
Creditors: amounts falling due within one year	18	(17,235)	(18,462)
Net current assets		<u>1,471</u>	<u>2,241</u>
Total assets less current liabilities		<u>5,242</u>	<u>6,678</u>
Creditors: amounts falling due after more than one year	19	(2,250)	(2,750)
Net assets		<u><u>2,992</u></u>	<u><u>3,928</u></u>
Capital and reserves			
Called up share capital	23	411	411
Share premium account	24	92	92
Profit and loss account	24	2,489	3,425
Equity attributable to owners of the parent Company		<u><u>2,992</u></u>	<u><u>3,928</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 September 2021.

Robert Bywell

Robert Howard Bywell
 Director

The notes on pages 19 to 39 form part of these financial statements.

AIREDALE CATERING EQUIPMENT GROUP LIMITED
REGISTERED NUMBER:08274332

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	14	12,323	12,323
Current assets			
Debtors: amounts falling due within one year	16	251	379
Cash at bank and in hand	17	16	1,108
		<u>267</u>	<u>1,487</u>
Creditors: amounts falling due within one year	18	(12,720)	(12,724)
Net current liabilities		<u>(12,453)</u>	<u>(11,237)</u>
Total assets less current liabilities		<u>(130)</u>	<u>1,086</u>
Creditors: amounts falling due after more than one year	19	(2,250)	(2,750)
Net liabilities		<u><u>(2,380)</u></u>	<u><u>(1,664)</u></u>
Capital and reserves			
Called up share capital	23	411	411
Share premium account	24	92	92
Profit and loss account brought forward		(2,167)	(1,790)
Loss for the year		(716)	(377)
Profit and loss account carried forward	24	(2,883)	(2,167)
		<u><u>(2,380)</u></u>	<u><u>(1,664)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 September 2021.

Robert Bywell

Robert Howard Bywell
 Director

The notes on pages 19 to 39 form part of these financial statements.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	411	92	3,425	3,928
Comprehensive income for the year				
Loss for the year	-	-	(936)	(936)
Total comprehensive income for the year	-	-	(936)	(936)
At 31 December 2020	411	92	2,489	2,992

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	411	92	2,383	2,886
Comprehensive income for the year				
Profit for the year	-	-	1,042	1,042
Total comprehensive income for the year	-	-	1,042	1,042
At 31 December 2019	411	92	3,425	3,928

The notes on pages 19 to 39 form part of these financial statements.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	411	92	(2,167)	(1,664)
Comprehensive income for the year				
Loss for the year	-	-	(716)	(716)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(716)	(716)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	411	92	(2,883)	(2,380)
	<hr/>	<hr/>	<hr/>	<hr/>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2019	411	92	(1,790)	(1,287)
Comprehensive income for the year				
Loss for the year	-	-	(377)	(377)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(377)	(377)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	411	92	(2,167)	(1,664)
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 19 to 39 form part of these financial statements.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £000	2019 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(936)	1,042
Adjustments for:		
Amortisation of intangible assets	361	382
Depreciation of tangible assets	352	219
Interest paid	391	234
Taxation charge	11	318
Decrease/(increase) in stocks	457	(46)
Decrease in debtors	2,589	1,398
Decrease in creditors	(1,605)	(2,089)
Corporation tax paid	(6)	(550)
Net cash generated from operating activities	<u>1,614</u>	<u>908</u>
Cash flows from investing activities		
Acquisition of subsidiary	(30)	(2,348)
Purchase of tangible fixed assets	(47)	(184)
Sale of tangible fixed assets	-	62
Net cash from investing activities	<u>(77)</u>	<u>(2,470)</u>
Cash flows from financing activities		
Repayment of loans	(250)	(107)
New loans	300	5,750
Repayment of finance leases	(26)	(81)
Interest paid	(391)	(234)
Net cash used in financing activities	<u>(367)</u>	<u>5,328</u>
Net increase in cash and cash equivalents	<u>1,170</u>	<u>3,766</u>
Cash and cash equivalents at beginning of year	1,366	(2,400)
Cash and cash equivalents at the end of year	<u><u>2,536</u></u>	<u><u>1,366</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,995	1,975
Bank overdrafts	(459)	(609)
	<u><u>2,536</u></u>	<u><u>1,366</u></u>

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £000	Cash flows £000	Other non- cash changes £000	At 31 December 2020 £000
Cash at bank and in hand	1,975	1,020	-	2,995
Bank overdrafts	(609)	150	-	(459)
Debt due after 1 year	(2,750)	-	500	(2,250)
Debt due within 1 year	(5,450)	(50)	(500)	(6,000)
Finance leases	(34)	26	-	(8)
	<u>(6,868)</u>	<u>1,146</u>	<u>-</u>	<u>(5,722)</u>

The notes on pages 19 to 39 form part of these financial statements.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Airedale Catering Equipment Group Limited is limited by shares and incorporated in England and Wales. Its registered head office is located at Airedale House, Victoria Road, Bradford, BD2 2BN.

The principal activity of the Group was the distribution, installation and servicing of catering and refrigeration equipment and ancillary supplies.

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 judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in these consolidated financial statements.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income 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 Statement of financial position, 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.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.3 Going concern**

During the year ended 31 December 2020 the Group made a loss after taxation of £0.94m (2019: profit £1.04m) but had a net cash inflow of £1.17m (2019: £3.77m). At the balance sheet date the Group had net assets of £2.99m (2019: £3.93m), net current assets of £1.47m (2019: £2.24m) and net cash balances of £2.54m (2019: £1.37m).

The directors have prepared detailed profit and loss, balance sheet and cashflow forecasts for the period through to 30 September 2022, with appropriate sensitivities applied to these projections. The projections show that the Group and the Company will maintain adequate cash balances throughout this period and will meet the bank's quarterly covenant tests as required. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group and the Company continues to adopt the going concern basis in preparing the financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, this is when goods are delivered to the customer. 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)
2.5 Intangible fixed assets
Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

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

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

2.6 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, as shown below.

Depreciation is provided on the following basis:

Freehold buildings	- 2% straight line
Short-term leasehold property	- Straight line over the life of the lease
Plant and machinery	- 15% or 20% pa reducing balance
Motor vehicles	- 25% pa reducing balance
Fixtures and fittings	- 15% reducing balance pa, 50% straight line for short life assets

Freehold land is not depreciated.

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.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.7 Valuation of investments**

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

2.8 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 the Consolidated statement of comprehensive income.

2.9 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.

2.10 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.

2.11 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 and loans to related parties.

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.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.11 Financial instruments (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 Statement of financial position 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.

2.12 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.

2.13 Long term contracts

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The assessment of the stage of completion is dependent on the nature of the contract, but will generally be based on the estimated proportion of the total contract costs which have been incurred to date. If a contract is expected to be loss-making, a provision is recognised for the entire loss. Long-term contracts also include an element of profit in their valuation where the outcome can be assessed with reasonable accuracy.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.14 Foreign currency translation****Functional and presentation currency**

The Group'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.

2.15 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.

2.16 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.17 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.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.18 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.

2.19 Pensions

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.20 Interest income

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

2.21 Borrowing costs

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

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 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 Statement of financial position.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)
2.23 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 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 Statement of financial position 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.

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

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

Revenue and margin recognition

Recognising revenue on long term contracts is measured throughout the life cycle of the contract based on the expected costs and margins for each contract. Adjustments are made where actual costs exceed forecast costs in the period to which they relate. Provisions are made against non - recoverable revenue and loss making contracts and ongoing estimations are made for rectification works.

Measurement of impairment of goodwill and intangible assets

Goodwill on acquisitions in 2013 is amortised over 5 years and on acquisitions after this period is amortised over 10 years and the carrying value of goodwill is reviewed annually for impairment. Customer relationships are amortised over 5 years.

Carrying value of trade and other receivables

Allowances for doubtful debt and provisions against receivables, including amounts due on construction contracts and carrying value of deferred income, are made on a specific basis, based on estimates of recoverability determined by market knowledge and past experience.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

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

	2020	2019
	£000	£000
Sales of goods	20,774	28,738
Rendering of services	16,062	15,133
	<u>36,836</u>	<u>43,871</u>

All turnover arose within the United Kingdom with the exception of £740,000 (£2019: £20,000) which arose from sales to EU countries.

5. Other operating income

	2020	2019
	£000	£000
Government grants receivable	2,881	-
	<u>2,881</u>	<u>-</u>

6. Operating (loss)/profit

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

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	333	154
Depreciation of tangible fixed assets held under finance leases	19	65
Amortisation of intangible assets, including goodwill	361	382
Exceptional restructuring costs	761	398
Exceptional costs relating to other non-recurring items	1,206	925
Exchange differences	26	-
Other operating lease rentals	1,034	603
	<u>1,034</u>	<u>603</u>

The exceptional costs noted above relate to material non-recurring items which do not reflect the normal ongoing operating costs of the Group.

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Auditor's remuneration

	2020	<i>2019</i>
	£000	<i>£000</i>
Fees payable to the Group's auditor in respect of:		
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	71	<i>64</i>
	<hr/>	<hr/>
Audit related assurance services	6	<i>7</i>
Taxation compliance services	9	<i>10</i>
Taxation advisory services	44	<i>18</i>
Transaction advisory services	66	<i>56</i>
	<hr/>	<hr/>
	125	<i>91</i>
	<hr/>	<hr/>

8. Employees

Staff costs were as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Wages and salaries	12,390	<i>10,582</i>	556	<i>660</i>
Social security costs	1,261	<i>1,081</i>	70	<i>81</i>
Cost of defined contribution scheme	281	<i>221</i>	11	<i>31</i>
	<hr/>	<hr/>	<hr/>	<hr/>
	13,932	<i>11,884</i>	637	<i>772</i>
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Administration and support	162	<i>143</i>	9	<i>9</i>
Production	185	<i>123</i>	-	<i>-</i>
Sales	21	<i>26</i>	-	<i>-</i>
	<hr/>	<hr/>	<hr/>	<hr/>
	368	<i>292</i>	9	<i>9</i>
	<hr/>	<hr/>	<hr/>	<hr/>

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	357	456
Company contributions to defined contribution pension schemes	1	1
	<u>358</u>	<u>457</u>

During the year retirement benefits were accruing to 2 directors (2019: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £79,000 (2019: £140,000).

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

10. Interest payable

	2020 £000	2019 £000
Interest payable on invoice discounting facility	79	91
Bank loan interest payable	311	116
Facility fees	-	23
Finance leases and hire purchase contracts	1	4
	<u>391</u>	<u>234</u>

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation

	2020	2019
	£000	£000
Corporation tax		
Current tax on profits for the year	13	342
Adjustments in respect of previous periods	27	(22)
Total current tax	40	320
Deferred tax		
Origination and reversal of timing differences (note 22)	(29)	(2)
Total deferred tax	(29)	(2)
Taxation on profit on ordinary activities	11	318

Factors affecting tax charge for the year

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

	2020	2019
	£000	£000
(Loss)/profit on ordinary activities before tax	(925)	1,360
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(176)	258
Effects of:		
Non-tax deductible amortisation of goodwill	69	60
Expenses not deductible for tax purposes	88	20
Adjustments to tax charge in respect of prior periods	27	(22)
Change of rates	8	-
Other timing differences leading to an increase/(decrease) in taxation	(5)	2
Total tax charge for the year	11	318

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Intangible fixed assets**Group**

	Customer relationships £000	Goodwill £000	Total £000
Cost			
At 1 January 2020	600	6,419	7,019
At 31 December 2020	600	6,419	7,019
Amortisation			
At 1 January 2020	570	3,118	3,688
Charge for the year	30	331	361
At 31 December 2020	600	3,449	4,049
Net book value			
At 31 December 2020	-	2,970	2,970
At 31 December 2019	30	3,301	3,331

AIREDALE CATERING EQUIPMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets

Group

	Freehold property £000	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost						
At 1 January 2020	322	24	528	381	1,374	2,629
Additions	-	-	21	-	26	47
Disposals	-	-	(92)	(56)	(421)	(569)
At 31 December 2020	322	24	457	325	979	2,107
Depreciation						
At 1 January 2020	-	21	373	246	926	1,566
Charge for the year	5	3	69	40	235	352
Disposals	-	-	(92)	(56)	(421)	(569)
At 31 December 2020	5	24	350	230	740	1,349
Net book value						
At 31 December 2020	317	-	107	95	239	758
At 31 December 2019	322	3	155	135	448	1,063

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

	2020 £000	2019 £000
Plant and machinery	42	55
Motor vehicles	16	41
	58	96

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments**Group**

	Investments in associated companies £000
Cost or valuation	
At 1 January 2020	43
At 31 December 2020	<u>43</u>

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	12,323
At 31 December 2020	<u>12,323</u>

AIREDALE CATERING EQUIPMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Airedale Catering Equipment Limited	Distribution of catering and refrigeration equipment and ancillary supplies	Ordinary	100%
South Coast Catering Limited	Installation and servicing of refrigeration and catering equipment	Ordinary	100%
Caterform Stainless Steel Fabrications Limited	Manufacture of stainless steel and refrigeration products	Ordinary	100%
Airedale Technical Services Limited	Installation and servicing of refrigeration and catering equipment	Ordinary	100%
Flowrite Services Limited	Air conditioning and refrigeration services	Ordinary	100%
Flowrite Refrigeration Holdings Limited	Holding company	Ordinary	100%

The registered office of each company is Victoria Road, Eccleshill, Bradford, BD2 2BN.

A liquidator was appointed to Catering Design House Limited in August 2020 at which point it was no longer under the control of the Group and was disposed of.

The following companies are exempt from the requirements relating to audit for the year ended 31 December 2020 by virtue of section 479A of the Companies Act 2006: Caterform Stainless Steel Fabrications Limited (company number 02194529) and Airedale Technical Services Limited (company number 02884539).

15. Stocks

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Raw materials and consumables	926	1,024	-	-
Finished goods and goods for resale	3,432	3,383	-	-
Long term contract balances	335	743	-	-
	<u>4,693</u>	<u>5,150</u>	<u>-</u>	<u>-</u>

Impairment losses of £76,000 were charged to the profit and loss account in the year ended 31 December 2020 (2019: £470,000).

AIREDALE CATERING EQUIPMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	7,175	12,106	241	373
Other debtors	506	501	-	-
Prepayments and accrued income	3,277	940	10	4
Deferred taxation (note 22)	60	31	-	2
	11,018	13,578	251	379

17. Cash and cash equivalents

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	2,995	1,975	16	1,108
Less: bank overdrafts	(459)	(609)	-	-
	2,536	1,366	16	1,108

18. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank overdrafts	459	609	-	-
Bank loans	1,000	750	1,000	750
Bank loan - Revolving credit facility	5,000	4,700	5,000	4,700
Trade creditors	5,916	9,454	221	95
Amounts owed to group undertakings	-	-	6,341	6,721
Corporation tax	35	1	-	10
Other taxation and social security	3,821	1,466	85	21
Obligations under finance lease and hire purchase contracts	8	34	-	-
Accruals and deferred income	996	1,448	73	427
	17,235	18,462	12,720	12,724

The overdrafts are secured on the trade debtors of certain Group companies and by a fixed charge on all assets of all Group companies. The bank loans are secured by a fixed charge on all assets of all Group companies. Finance lease liabilities are secured on the assets to which they relate. The revolving credit facility is secured by a fixed charge on all assets of all Group companies.

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

	Group 2020 £000	<i>Group 2019 £000</i>	Company 2020 £000	<i>Company 2019 £000</i>
Bank loans	2,250	<i>2,750</i>	2,250	<i>2,750</i>

20. Loans

	Group 2020 £000	<i>Group 2019 £000</i>	Company 2020 £000	<i>Company 2019 £000</i>
Amounts falling due within one year				
Bank loans	1,000	<i>750</i>	1,000	<i>750</i>
Revolving credit facility	5,000	<i>4,700</i>	5,000	<i>4,700</i>
Amounts falling due 1-2 years				
Bank loans	2,250	<i>1,000</i>	2,250	<i>1,000</i>
Amounts falling due 2-5 years				
Bank loans	-	<i>1,750</i>	-	<i>1,750</i>
	8,250	<i>8,200</i>	8,250	<i>8,200</i>

The bank borrowings bear interest at a margin of 3 - 3.1% above the bank's base rate or the London Interbank Offered Rate (LIBOR) as applicable.

21. Hire purchase and finance leases

Minimum payments under hire purchase contracts fall due as follows:

	Group 2020 £000	<i>Group 2019 £000</i>
Within one year	8	<i>34</i>

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22. Deferred taxation**Group**

	2020 £000	2019 £000
At beginning of year	31	(95)
Credited to profit or loss (note 11)	29	2
On acquisitions	-	124
At end of year	60	31

The deferred taxation balance is made up as follows:

	2020 £000	2019 £000
Tax losses	110	130
Accelerated capital allowances	(68)	(104)
Short term timing differences	18	5
	60	31

23. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
33,991,065 (2019: 33,991,065) Ordinary shares of £0.01 each	340	340
7,128,000 (2019: 7,128,000) A Ordinary shares of £0.01 each	71	71
	411	411

Each Ordinary and A Ordinary Shares are entitled to one vote and and they rank pari passu to dividend payments. If the company were to be wound up, any distribution of the surplus assets of the company would be applied to the Ordinary shares first to the extent of their subscription and then any remaining balance to both the A Ordinary and Ordinary shares on a pro-rata basis.

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24. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Capital commitments

There are no capital commitments for the year ended 31 December 2020 (2019: £Nil).

26. Pension commitments

The Group operates a defined contribution 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 £272,000 (2019: £221,000).

27. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Land and buildings				
Not later than 1 year	181	123	-	-
Later than 1 year and not later than 5 years	181	229	-	-
	362	352	-	-
	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Other				
Not later than 1 year	612	728	-	-
Later than 1 year and not later than 5 years	316	710	-	-
	928	1,438	-	-

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28. Related party transactions

The Company has taken advantage of the exemptions under terms of FRS 102 not to disclose transactions with other group companies.

29. Controlling party

As at the balance sheet date, the Directors consider there is no individual ultimate controlling related party. The Company is controlled by the directors who own more than 50% of the issued share capital.

30. Post balance sheet events

Subsequent to the balance sheet date, the Group submitted to its insurers a claim to recover losses totalling £2.8m under its business interruption policy and received an interim payment of £1m against this claim in April 2021.

In May 2021 the Company's entire share capital was acquired by Doyle Bidco Limited, a company controlled by Rubicon Partners V SCSp, who became the ultimate controlling party.