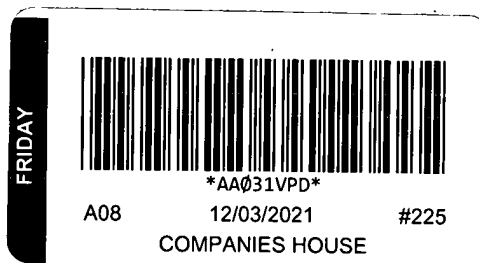


Company Registration No. 12012631 (England and Wales)

OLDHAM SEALS GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020



OLDHAM SEALS GROUP LIMITED

COMPANY INFORMATION

Directors Mr C G R Oldham (Appointed 22 May 2019)
 Mr N P Oldham (Appointed 22 May 2019)
 Mr N Holloway (Appointed 1 December 2019)
 Mr M F J Weil (Appointed 1 December 2019)

Company number 12012631

Registered office City Gates
 2-4 Southgate
 Chichester
 West Sussex
 PO19 8DJ

Auditor Moore (South) LLP
 City Gates
 2 - 4 Southgate
 Chichester
 West Sussex
 PO19 8DJ

Bankers NatWest Bank Plc
 5 East Street
 Chichester
 West Sussex
 PO19 1HH

Solicitors Irwin Mitchell LLP
 Thomas Eggar House
 Friary Lane
 Chichester
 West Sussex
 PO19 1UF

OLDHAM SEALS GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 35

OLDHAM SEALS GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 APRIL 2020

The directors present the strategic report for the period ended 30 April 2020.

Fair review of the business

Oldham Seals Group Limited was formed as a new holding company in May 2019 and the acquisition of 75% of Oldham Seals Limited share capital was achieved with effect from 1 December 2019.

The Directors are pleased to report a group profit before tax of £1,009,263.

The profit has naturally had a positive impact on the group's balance sheet, which has also been enhanced by the increase in the net pension asset of the final salary pension scheme.

For the full financial year ended 30 April 2020 Oldham Seals Limited made a profit before tax and dividends paid of £3,217,391 (2019 - £3,975,825). The company continues to manufacture and distribute bonded hoses and rubber mouldings.

For the full financial year ended 30 April 2020 "O" Rings Limited made a profit before tax and dividends paid of £362,562 (2019 - £172,025). This company continues to factor industrial rubber seals.

Hampshire Mouldings Limited remained dormant throughout the period.

The group continues to invest in new machinery and equipment which adds necessary additional production capacity. This gives the group more control over production capacity and lead times, which is essential for future growth.

Principal risks and uncertainties

Treasury operations and financial instruments

The company uses financial instruments, other than derivatives, comprising cash, liquid resources, and various items such as debtors, creditors and other items that arise directly from its operations. The main purpose of these financial instruments is to enable the smooth operation of the business.

The main risks from the company's financial instruments are liquidity risk, currency risk and credit risk. The directors review and agree policies for managing these risks and these are summarised below: -

Foreign currency risk

The company's principal foreign currency exposures arise from buying and selling in foreign currency. This risk is managed by predominantly buying and selling in Sterling.

Credit risk

The main credit risk relates to customers. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

OLDHAM SEALS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

Impact of COVID-19 and Brexit

When the initial lockdown due to Covid-19 was announced, Oldham Seals Limited, the company's principal subsidiary, was immediately confirmed as an essential business and so was able to stay open. At that time it had a strong order book and so initially it was able to maintain full production.

However, some customers furloughed staff and this has led to a disruption in orders. The company was and still remains unable to achieve its budget. The directors have remained in close contact with our primary customers and whilst we are advised that there is a demand for our products and that orders will be forthcoming; the procurement chains have continued to remain fragmented and the order book is below expectations.

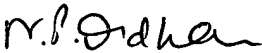
The Board have and continue to review all costs and have now made use of the UK Government's furlough scheme.

Looking forward, the company has continued to receive orders for new projects stretching over the next 3 years but still requires orders for our core product replacement business to return the company to previous levels of profitable trading.

The balance sheet remains strong and the Board's policy of maintaining a healthy level of liquidity will enable us to continue to meet our customers' and stakeholders' needs and protect the business for the foreseeable future.

The directors have been working hard to assess and negate the potential impact of BREXIT. There will be an impact on parts of the supply chain which come from Europe which they have sought to manage by building up stock levels so there is a large buffer to negate any supply disruption. The directors accept that prices will increase for some exports to Europe but as this is a fairly small part of the overall business the impact of this will be limited. Overall the directors see the risk from Brexit as being low.

On behalf of the board



Mr N P Oldham

Director

24 FEB 2021

OLDHAM SEALS GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 APRIL 2020

The directors present their annual report and financial statements for the period ended 30 April 2020.

Principal activities

The company was incorporated on 22 May 2019 as a new group holding company. The principal activity of the group's main subsidiary, Oldham Seals Limited, is the manufacture and distribution of bonded hoses and rubber mouldings. The principal activity of the subsidiary, "O" Rings Limited, is the factoring of industrial rubber seals.

The Strategic Report on page 1 includes the review of company and group performance, their positions at the period end and the principal risks facing the company and group.

Directors

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

Mr C G R Oldham	(Appointed 22 May 2019)
Mr N P Oldham	(Appointed 22 May 2019)
Mr N Holloway	(Appointed 1 December 2019)
Mr M F J Weil	(Appointed 1 December 2019)

Results and dividends

The results for the period are set out on page 8.

Ordinary dividends were paid amounting to £1,000,000. The directors do not recommend payment of a further dividend.

Auditor

Moore (South) LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

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

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

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

OLDHAM SEALS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

Statement of disclosure to auditor

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

On behalf of the board



Mr N P Oldham
Director

Date: 24 FEB 2021

OLDHAM SEALS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLDHAM SEALS GROUP LIMITED

Opinion

We have audited the financial statements of Oldham Seals Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 April 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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.

OLDHAM SEALS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OLDHAM SEALS GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

OLDHAM SEALS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OLDHAM SEALS GROUP LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Andrew Henshaw (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

2 March 2021

Chartered Accountants
Statutory Auditor

City Gates
2 - 4 Southgate
Chichester
West Sussex
PO19 8DJ

OLDHAM SEALS GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 APRIL 2020

	Notes	Period ended 30 April 2020 £
Turnover	3	5,177,587
Cost of sales		(2,211,014)
Gross profit		<u>2,966,573</u>
Distribution costs		(17,483)
Administrative expenses		(1,957,051)
Operating profit	4	<u>992,039</u>
Interest receivable and similar income	8	23,022
Interest payable and similar expenses	9	(5,798)
Profit before taxation		<u>1,009,263</u>
Tax on profit	10	(155,959)
Profit for the financial period		<u>853,304</u>
Other comprehensive income		
Actuarial gain on defined benefit pension schemes		95,000
Tax relating to other comprehensive income		(18,050)
Total comprehensive income for the period		<u><u>930,254</u></u>
Profit for the financial period is attributable to:		
- Owners of the parent company		545,837
- Non-controlling interests		307,467
		<u>853,304</u>
Total comprehensive income for the period is attributable to:		
- Owners of the parent company		603,549
- Non-controlling interests		326,705
		<u><u>930,254</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

OLDHAM SEALS GROUP LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£
Fixed assets			
Goodwill	12	9,081,316	
Tangible assets	13	3,043,146	
			<u>12,124,462</u>
Current assets			
Stocks	17	1,141,991	
Debtors	18	2,141,342	
Cash at bank and in hand		6,915,290	
			<u>10,198,623</u>
Creditors: amounts falling due within one year	19	(2,473,499)	
			<u>7,725,124</u>
Net current assets			<u>19,849,586</u>
Total assets less current liabilities			<u>19,849,586</u>
Creditors: amounts falling due after more than one year	20	(47,257)	
Provisions for liabilities	22	(615,350)	
			<u>19,186,979</u>
Net assets excluding pension surplus/(deficit)			<u>19,186,979</u>
Defined benefit pension surplus/(deficit)	23	1,485,000	
			<u>20,671,979</u>
Net assets			<u><u>20,671,979</u></u>
Capital and reserves			
Called up share capital	24	10,000	
Share premium account		17,984,868	
Profit and loss reserves		(115,201)	
			<u>17,879,667</u>
Equity attributable to owners of the parent company			<u>17,879,667</u>
Non-controlling interests			<u>2,792,312</u>
			<u><u>20,671,979</u></u>

The financial statements were approved by the board of directors and authorised for issue on **24 FEB 2021**
and are signed on its behalf by:


Mr C G R Oldham
Director

OLDHAM SEALS GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£
Fixed assets			
Investments	14		18,091,827
Current assets			
Cash at bank and in hand		1,024,539	
Creditors: amounts falling due within one year	19	(603,224)	
Net current assets			421,315
Total assets less current liabilities			18,513,142
Capital and reserves			
Called up share capital	24		10,000
Share premium account			17,984,868
Profit and loss reserves			518,274
Total equity			18,513,142

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £1,518,274.

The financial statements were approved by the board of directors and authorised for issue on **24 FEB 2021** and are signed on its behalf by:


Mr C G R Oldham
Director

Company Registration No. 12012631

OLDHAM SEALS GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 APRIL 2020

	Share capital	Share premium account	Profit and loss reserves	Total controlling interest	Non- controlling interest	Total
Notes	£	£	£	£	£	£
Period ended 30 April 2020:						
Profit for the period	-	-	545,837	545,837	307,467	853,304
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	95,000	95,000	-	95,000
Tax relating to other comprehensive income	-	-	(18,050)	(18,050)	-	(18,050)
Amounts attributable to non-controlling interests	-	-	(19,238)	(19,238)	19,238	-
Total comprehensive income for the period	-	-	603,549	603,549	326,705	930,254
Issue of share capital	24 10,000	17,984,868	-	17,994,868	-	17,994,868
Dividends	11	-	(1,000,000)	(1,000,000)	(125,000)	(1,125,000)
Acquisition of subsidiary	-	-	-	-	2,871,857	2,871,857
Dividends not paid in proportion to non-controlling interest shares held	-	-	281,250	281,250	(281,250)	-
Balance at 30 April 2020	10,000	17,984,868	(115,201)	17,879,667	2,792,312	20,671,979

OLDHAM SEALS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 APRIL 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 30 April 2020:					
Profit and total comprehensive income for the period		-	-	1,518,274	1,518,274
Issue of share capital	24	10,000	17,984,868	-	17,994,868
Dividends	11	-	-	(1,000,000)	(1,000,000)
Balance at 30 April 2020		<u>10,000</u>	<u>17,984,868</u>	<u>518,274</u>	<u>18,513,142</u>

OLDHAM SEALS GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 APRIL 2020

	Notes	2020 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	31	1,334,984	
Interest paid		(5,798)	
Income taxes paid		(35,713)	
Net cash inflow/(outflow) from operating activities			1,293,473
Investing activities			
Purchase of business		7,073,787	
Purchase of tangible fixed assets		(331,331)	
Interest received		10,522	
Net cash generated from/(used in) investing activities			6,752,978
Financing activities			
Proceeds from issue of shares		2	
Payment of finance leases obligations		(6,163)	
Dividends paid to equity shareholders		(1,000,000)	
Dividends paid to non-controlling interests		(125,000)	
Net cash used in financing activities			(1,131,161)
Net increase in cash and cash equivalents			6,915,290
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			6,915,290

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies

Company information

Oldham Seals Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is City Gates, 2-4 Southgate, Chichester, West Sussex, PO19 8DJ.

The group consists of Oldham Seals Group Limited and all of its subsidiaries. The principal place of business of the company and Oldham Seals Limited is Spur Road, Chichester, West Sussex, and 'O' Rings Limited is Gravel Lane, Chichester, West Sussex.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention, modified to include the valuation of certain items of plant and machinery previously revalued as deemed cost on transition to FRS 102. Certain financial instruments, where applicable, are included at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, investments in subsidiaries are accounted for at cost less impairment, if any.

The consolidated financial statements incorporate those of Oldham Seals Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

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

1.4 Turnover

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

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

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or in the case of leasehold property and certain items of plant and machinery, valuation of transition to FRS 102 as deemed cost, net of depreciation and any impairment losses.

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

Leasehold property	2 to 10% straight line
Plant and machinery	15 to 25% reducing balance/5 to 20% straight line
Computer equipment	33 1/3% straight line

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

1.7 Fixed asset investments

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

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

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. The financial assets are all receivable within one year and so are not amortised.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.12 Equity instruments

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

1.13 Taxation

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

Current tax

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

Deferred tax

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

1.14 Employee benefits

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

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

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

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.15 Retirement benefits

Defined contribution scheme

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Defined benefit scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost (net of employees contributions) and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected rate of return on scheme assets are included in other finance costs. Actuarial gains and losses are reported within other comprehensive income.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.17 Foreign exchange

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

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provisions

In accordance with FRS 102 the group makes provisions against the cost of slow moving and obsolete stock. This is to ensure that the stock value stated in the financial statements represents its value at the lower of cost and net realisable value. Judgements are made on the future saleability of stock when calculating the required provisions which are regularly reviewed.

Defined Benefit Pension Scheme

The company and group accounts for the defined benefit pension scheme which it operates in accordance with FRS 102. Assumptions have been made with regards to the scheme as detailed in the notes to the accounts using the advice of a qualified actuary.

3 Turnover and other revenue

	2020 £
Turnover analysed by class of business	
Sale of goods	4,920,887
Sale of services	256,700
	<u>5,177,587</u>
	2020 £
Other significant revenue	
Interest income	23,022
	<u>23,022</u>

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

3	Turnover and other revenue	(Continued)
		2020
		£
	Turnover analysed by geographical market	
	UK	4,310,213
	Europe	242,400
	North America	545,680
	Australasia	62,892
	Asia	16,402
		<u>5,177,587</u>
		<u><u>5,177,587</u></u>
4	Operating profit	2020
		£
	Operating profit for the period is stated after charging:	
	Depreciation of owned tangible fixed assets	236,610
	Depreciation of tangible fixed assets held under finance leases	25,583
	Amortisation of intangible assets	394,840
	Operating lease charges	230,434
		<u>230,434</u>
		<u><u>230,434</u></u>
5	Auditor's remuneration	2020
		£
	Fees payable to the company's auditor and associates:	
	For audit services	
	Audit of the financial statements of the group and company	2,500
	Audit of the financial statements of the company's subsidiaries	20,100
		<u>22,600</u>
		<u><u>22,600</u></u>
	For other services	
	Taxation compliance services	3,000
	All other non-audit services	28,400
		<u>31,400</u>
		<u><u>31,400</u></u>

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

6 Employees

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

	Group 2020 Number	Company 2020 Number
Administration and management	19	4
Production	83	-
Total	<u>102</u>	<u>4</u>

Their aggregate remuneration comprised:

	Group 2020 £	Company 2020 £
Wages and salaries	1,391,868	247,750
Social security costs	191,025	33,424
Pension costs	31,401	-
	<u>1,614,294</u>	<u>281,174</u>

7 Directors' remuneration

	2020 £
Remuneration for qualifying services	<u>346,380</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £
Remuneration for qualifying services	<u>160,523</u>

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

8 Interest receivable and similar income

2020
£

Interest income

Interest on bank deposits

10,522

Interest on the net defined benefit asset

12,500

Total income

23,022

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss

10,522

9 Interest payable and similar expenses

2020
£

Other finance costs:

Other interest

5,798

10 Taxation

2020
£

Current tax

UK corporation tax on profits for the current period

203,039

Deferred tax

Origination and reversal of timing differences

(47,080)

Total tax charge

155,959

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

10 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	2020 £
Profit before taxation	1,009,263
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%	191,760
Tax effect of expenses that are not deductible in determining taxable profit	38,399
Permanent capital allowances in excess of depreciation	(17,889)
Other permanent differences	(3,531)
Defined benefit pension scheme FRS102 adjustments	(5,700)
Deferred tax movement	(47,080)
Taxation charge	155,959

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £
Deferred tax arising on:	
Actuarial differences recognised as other comprehensive income	18,050

11 Dividends

	2020 £
Interim paid to group shareholders	1,000,000

Dividends of £125,000 were paid during the period in respect of non-controlling interests.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 22 May 2019	-
Additions - business combinations	9,476,156
At 30 April 2020	9,476,156
Amortisation and impairment	
At 22 May 2019	-
Amortisation charged for the period	394,840
At 30 April 2020	394,840
Carrying amount	
At 30 April 2020	9,081,316

The company had no intangible fixed assets at 30 April 2020.

13 Tangible fixed assets

Group	Leasehold property £	Plant and machinery £	Total £
Cost			
At 22 May 2019	-	-	-
Additions	460,312	2,845,027	3,305,339
At 30 April 2020	460,312	2,845,027	3,305,339
Depreciation and impairment			
At 22 May 2019	-	-	-
Depreciation charged in the period	28,639	233,554	262,193
At 30 April 2020	28,639	233,554	262,193
Carrying amount			
At 30 April 2020	431,673	2,611,473	3,043,146

The company had no tangible fixed assets at 30 April 2020.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2020 £	Company 2020 £
Motor vehicles	76,749	-

14 Fixed asset investments

	Notes	Group 2020 £	Company 2020 £
Investments in subsidiaries	15	-	18,091,827

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 22 May 2019	-
Additions	18,091,827
At 30 April 2020	18,091,827
Carrying amount	
At 30 April 2020	18,091,827

15 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Oldham Seals Limited	As for Oldham Seals Group Limited	Manufacture of bonded hoses and rubber mouldings	Ordinary	75.00	-
'O' Rings Limited	As for Oldham Seals Group Limited	Factoring of industrial rubber seals	Ordinary	-	75.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

15 Subsidiaries

(Continued)

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Oldham Seals Limited	10,211,623	2,876,768
'O' Rings Limited	1,092,425	327,150

Profit figures for subsidiary companies relate to the year ended 30 April 2020.

16 Financial instruments

	Group 2020 £	Company 2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,141,342	-
Carrying amount of financial liabilities		
Measured at amortised cost	1,854,519	505,098

17 Stocks

	Group 2020 £	Company 2020 £
Raw materials and consumables	713,032	-
Work in progress	138,096	-
Finished goods and goods for resale	290,863	-
	1,141,991	-

18 Debtors

	Group 2020 £	Company 2020 £
Amounts falling due within one year:		
Trade debtors	1,959,242	-
Other debtors	182,100	-
	2,141,342	-

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

19 Creditors: amounts falling due within one year

	Notes	Group 2020 £	Company 2020 £
Obligations under finance leases	21	16,854	-
Trade creditors		824,660	-
Amounts owed to group undertakings		100	100
Corporation tax payable		321,101	4,300
Other taxation and social security		345,136	93,826
Other creditors		846,408	499,998
Accruals and deferred income		119,240	5,000
		<u>2,473,499</u>	<u>603,224</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

20 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	Company 2020 £
Obligations under finance leases	21	<u>47,257</u>	<u>-</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

21 Finance lease obligations

	Group 2020 £	Company 2020 £
Future minimum lease payments due under finance leases:		
Within one year	16,854	-
In two to five years	47,257	-
	<u>64,111</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

22 Deferred taxation

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

	Liabilities 2020 £
Group	
Accelerated capital allowances	329,400
Retirement benefit obligations	285,950
	<u>615,350</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the period:		
Charge to profit or loss	95,700	-
Charge to other comprehensive income	43,300	-
Other	476,350	-
	<u>615,350</u>	<u>-</u>
Liability at 30 April 2020	<u>615,350</u>	<u>-</u>

23 Retirement benefit schemes

	2020 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	31,401

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

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

23 Retirement benefit schemes

(Continued)

Defined benefit schemes

The group operates a pension scheme through its subsidiary company, Oldham Seals Limited, providing benefits based on final pensionable pay for the eligible staff of the group. The assets of the scheme are held separately from the group in an independently administered fund. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees working lives with the group.

The contributions for the defined benefit scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. A full triennial actuarial valuation as of 1 May 2018 was prepared and updated as of 30 April 2020 on the basis of an interim actuarial report.

All demographic assumptions were as used for the actuarial valuation at 1 May 2018. The defined benefit scheme was closed to new entrants on 31 January 2003 and closed to future accrual from 31 January 2009.

The pension cost charge for the year for the company amounted to £nil.

The movements in the present value of defined benefit obligations and the fair value of plan assets shown in this note relate to Oldham Seals Limited and 'O' Rings Limited for the year ended 30 April 2020.

As at 30 April 2020 the actuarial value of the scheme assets and liabilities on the above basis were as follows:

<i>Key assumptions</i>	2020
	%
Discount rate	1.60
Expected rate of increase of pensions in payment	2.80
Expected rate of salary increases	2.20
	<u><u> </u></u>
<i>Mortality assumptions</i>	2020
Assumed life expectations on retirement at age 65:	Years
Retiring today	
- Males	21.40
- Females	23.40
	<u><u> </u></u>
Retiring in 20 years	
- Males	22.40
- Females	24.60
	<u><u> </u></u>
	2020
<i>Amounts recognised in the profit and loss account</i>	£
Net interest on net defined benefit liability/(asset)	(30,000)
	<u><u> </u></u>

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

23 Retirement benefit schemes	(Continued)
	2020
<i>Amounts taken to other comprehensive income</i>	£
Actual return on scheme assets	(1,287,000)
Less: calculated interest element	189,000
	<hr/>
Return on scheme assets excluding interest income	(1,098,000)
Actuarial changes related to obligations	870,000
	<hr/>
Total costs/(income)	(228,000)
	<hr/> <hr/>

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

Group	2020
	£
Present value of defined benefit obligations	7,272,000
Fair value of plan assets	(8,757,000)
	<hr/>
Surplus in scheme	(1,485,000)
	<hr/> <hr/>

The company had no post employment benefits at 30 April 2020.

<i>Movements in the present value of defined benefit obligations</i>	Group 2020
	£
Liabilities at 1 May 2019	6,442,000
Benefits paid	(199,000)
Actuarial gains and losses	870,000
Interest cost	159,000
	<hr/>
At 30 April 2020	7,272,000
	<hr/> <hr/>

<i>The defined benefit obligations arise from plans funded as follows:</i>	Group 2020
	£
Wholly unfunded obligations	-
Wholly or partly funded obligations	7,272,000
	<hr/>
	7,272,000
	<hr/> <hr/>

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

23 Retirement benefit schemes

(Continued)

	Group 2020 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 May 2019	7,669,000
Interest income	189,000
Return on plan assets (excluding amounts included in net interest)	1,098,000
Benefits paid	(199,000)
At 30 April 2020	<u>8,757,000</u>
 <i>Fair value of plan assets at the reporting period end</i>	
	Group 2020 £
LDI funds	1,927,000
Corporate bonds	5,867,000
Cash / net current assets	963,000
	<u>8,757,000</u>

The schedule of contributions was revised on 28 June 2019 to show that with effect from 1 July 2019 the group is not required to make any contributions to the scheme, but can elect to do so, should it wish. The employers will separately meet the expenses of management and administration of the scheme, premiums for insured death-in-service benefits and all levies issued for the PPF and the pensions regulator.

Using the method and assumptions agreed by the trustees, and set out in the statement of funding principles, the assets at the effective date were sufficient to cover around 103% of the scheme's technical provisions, with a surplus of £290,000. The next actuarial valuation is due on 1 May 2021.

Defined contribution schemes

On 1 February 2009 a defined contribution purchase scheme was established for the eligible employees of Oldham Seals Limited and other group companies. The assets of the scheme are also held separately from those of the company in an independently administered fund. This scheme was closed on 31 March 2015.

On 1 April 2015 a defined contribution scheme to meet the requirements of auto enrolment was established. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge in the period for this scheme was £30,953 and contributions totalling £15,612 were payable to the fund at the year end are included in creditors.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

24 Share capital

	Group and company 2020 £
Ordinary share capital Issued and fully paid	
5,000 A ordinary shares of £1 each	5,000
5,000 B ordinary shares of £1 each	5,000
	<hr/>
	10,000
	<hr/> <hr/>

A and B ordinary shares rank pari-passu in all respects.

On 1 December 2019 the company re-designated its issued ordinary share capital as A and B ordinary shares and at the same time issued a further 9,998 ordinary shares at par as part of a group reorganisation. The total consideration received was £17,994,868.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

25 Acquisitions

On 1 December 2019 the group acquired 75 percent of the issued capital of Oldham Seals Limited and its subsidiary companies.

	Book Value	Adjustments	Fair Value
	£	£	£
Property, plant and equipment	2,974,008	-	2,974,008
Inventories	982,896	-	982,896
Trade and other receivables	2,152,963	-	2,152,963
Cash and cash equivalents	7,170,648	-	7,170,648
Obligations under finance leases	(70,274)	-	(70,274)
Trade and other payables	(2,276,908)	-	(2,276,908)
Tax liabilities	(178,825)	-	(178,825)
Retirement benefit pension scheme	1,352,250	-	1,352,250
Deferred tax	(619,330)	-	(619,330)
Total identifiable net assets	11,487,428	-	11,487,428
Non-controlling interests			(2,871,857)
Goodwill			9,476,156
Total consideration			18,091,727
The consideration was satisfied by:			£
Cash			96,861
Issue of shares			17,994,866
			18,091,727
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			5,177,587
Profit after tax			1,229,870

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

26 Operating lease commitments

Lessee

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

	Group 2020 £	Company 2020 £
Within one year	232,444	-
Between two and five years	701,035	-
	<u>933,479</u>	<u>-</u>

27 Events after the reporting date

Since the balance sheet date the group has paid dividends of £162,500 in respect of non-controlling interests.

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is disclosed in note 7.

Transactions with related parties

The group occupies premises owned by The Oldham Seals Limited Directors' Pension Scheme, of which the executive directors are trustees and members. The cost of lease payments made by the group to this pension scheme for the period was £75,695.

29 Directors' transactions

During the period dividends of £500,000 each were paid by the holding company to Mr C G R Oldham and Mr N P Oldham. Oldham Seals Limited paid dividends of £50,000 to Mr C G R Oldham and Mr N P Oldham as trustees of The Oldham (Infant Children's) Settlement and £75,000 to Mrs A M Oldham, the mother of Mr C G R Oldham and Mr N P Oldham,

During the period Mr C G R Oldham and Mr N P Oldham have provided interest free loans to the group. At 30 April 2020 the total amount owing to them was £831,074.

30 Controlling party

The company and group are not controlled by any single party.

OLDHAM SEALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

31 Cash generated from/(absorbed by) group operations	2020 £
Profit for the period after tax	853,304
Adjustments for:	
Taxation charged	155,959
Finance costs	5,798
Investment income	(23,022)
Amortisation and impairment of intangible assets	394,840
Depreciation and impairment of tangible fixed assets	262,193
Pension scheme non-cash movement	(25,250)
Movements in working capital:	
Increase in stocks	(159,095)
Decrease in debtors	11,621
Decrease in creditors	(141,364)
Cash generated from/(absorbed by) operations	<u>1,334,984</u>

Figures included in the group statement of cash flows exclude the value of assets and liabilities of the subsidiaries at the date of acquisition.