



Andy Thornton Limited

Registered number: 05566738

Annual report and consolidated financial statements

For the year ended 31 July 2020

ANDY THORNTON LIMITED

COMPANY INFORMATION

Directors	C J Tolley D C Hastie J Penford K Walker
Company secretary	J Penford
Registered number	05566738
Registered office	Rosemount Huddersfield Road Elland West Yorkshire HX5 0EE
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP
Solicitors	Clarion Solicitors Elizabeth House 13-19 Queen Street Leeds LS1 2TW

ANDY THORNTON LIMITED

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ANDY THORNTON LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2020**

Introduction

The directors present their Strategic Report for the year ended 31 July 2020.

Business review

The performance of the business in the financial year ended 31 July 2020 has been impacted significantly by the Covid-19 virus. The third quarter loss of £500K is the one significant reason for the total losses for the full year and is a direct result of the country wide lockdown and the impact on our trading sectors. Order intake and sales activity in April and May were devastated by the lock down and the cumulative impact between March and May of this suppressed activity was something we could not recover from within the remaining two months trading. June and July did show a period of greater resilience and trading at the start of the new financial year has held up in line with forecasted expectations. The Architectural Metalwork division was again hit hard during the lock down with no activity going on for a period of four months but a host of new enquires and confirmed orders at the end of the year and into the new trading period have generated a record high order book and an increased level of optimism.

Future developments

The Board have set realistic and very pragmatic targets for the next financial year and the strategic aims of the business over the trading period are to continue with the simplification of processes and product offerings and to major on the critical success factors that differentiate us from others in our market sector. A clear recognition has been given to the tough trading conditions that are affecting the high street and hospitality sector and this has been reflected in the targets set. There is no doubt that 2021 is going to be another challenging year as the impact and influence of this unprecedented pandemic in our business lifetimes cannot be clearly predicted nor underestimated. However, the Board are very confident that a much-improved trading will emerge following a good first quarter to the new trading year well ahead of the targets and a strong order book already secured.

Principal risks and uncertainties

The principal risk facing the Group continues to be the trading and confidence levels within the markets in which it operates and the impact of the pandemic. The fragility within the hospitality and retail sectors still provides for a degree of caution and the second lockdown within this sector will again knock confidence. The uncertainty relating to the Brexit agreement and the implications of the withdrawal from the European Union are also factors that continue to be monitored closely by the Board. Recognition of these risks underpins the decisions of the Directors to retain the tight controls on cash, expenditure and recruitment.

The Board believe that the strong brand name, product offering, and marketing will enable us to maintain business with current customers, develop new business opportunities with additional blue chip companies as well as increasing market share.

ANDY THORNTON LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Financial instruments

The Group's principal financial instruments during the trading period comprised bank loans and a small overdraft, obligations under finance leases, sterling, US dollar and euro cash and bank deposits together with trade debtors and trade creditors that arise directly from its operations. The business has a close and supportive relationship with its bank, HSBC.

The main risks and measures that the company has taken to control the risk can be summarised as follows:

Operational Risk

The Group has solid reporting systems and produces timely and accurate management information which is regularly reviewed by the Directors and other stakeholders.

Price risk

The Group is exposed to pressure on margins resulting from current market conditions but continues to improve efficiencies, avoid the lower end of the market where price is the only consideration and to source and supply new products into the market ahead of competitors.

The Group has no significant exposure to securities price risk as it holds no listed equity investments.

Foreign currency risk

The main foreign currencies in which the Group operates are the Euro and the US Dollar. The exchange rates are monitored daily and product selling prices modified frequently to reflect any variations. Forward currency contracts are used to protect the business operations from significant exchange rate variances. The risk is also further minimised with a small number of customers paying us in Euros and Dollars.

Credit risk

The Group's principal financial assets are bank balances, cash, stock and trade debtors that represent the company's maximum exposure to credit risk in relation to financial assets.

The credit risk is primarily attributable to its trade debtors. The risk is managed by maintaining a high level of proforma business, a strict credit policy and effective credit rating of prospective customers.

The amounts presented in the balance sheet are net of allowances for doubtful debts estimated by the Group's management based on prior experience and their assessment of the current economic environment.

Liquidity risk

The Group's policy has been to ensure continuity of funding through acquiring an element of the fixed assets under finance leases to aid short term flexibility.

Cash flow interest rate risk

There is an overdraft facility with agreed interest at a market rate. The Company has also secured bank support through an invoice finance facility and import credit line to assist with cash flows. Credit finance is used when appropriate to reduce the pressures on cash flows and ensure sufficient working capital is available to fund the main business activity and any growth opportunities. The current payment profile of the majority of all transactions being on a pro-forma basis also help with the cash flow risk. A business interruption loan has been taken through the bank again to provide certainty of available funds.

ANDY THORNTON LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Financial key performance indicators

The Directors consider the key financial KPI's of the business to be:

- Turnover
- Gross margins
- Net profit
- Order book
- Cash balances
- Stock levels

Taking into account the impact of COVID-19 the directors are satisfied with the performance against financial KPI's in the year.

Other key performance indicators

In addition non-financial KPI's are:

- High standard of customer service
- Health & safety compliance & improvements
- Environmental issues
- Staff retention

The Directors are satisfied that non-financial KPIs are being achieved and maintained.

This report was approved by the board on Dec 18, 2020

and signed on its behalf.


C J Tolley (Dec 18, 2020 16:34 GMT)

C J Tolley
Director

ANDY THORNTON LIMITED

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

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

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activities of the Group and Company are primarily that of a trading company marketing a range of over 4,000 products including furniture, lighting and outdoor products for the hospitality, retail and office interior markets worldwide. Many products are manufactured or finished in house with additional ranges purchased from other suppliers and marketed under the Andy Thornton brand.

The Group is also one of the UK's largest suppliers of salvaged architectural antiques and decorative accessories to the hospitality market. Additionally, the architectural metalwork department designs, manufactures and installs bandstands, gazebos, canopies and verandas to the same market place.

Results and dividends

The loss for the year, after taxation, amounted to £269,931 (2019 - profit £179,794).

Dividends totalling £72,000 (2019: £160,875) were proposed and paid during the year.

Directors

The directors who served during the year were:

C J Tolley
D C Hastie
J Penford
K Walker

ANDY THORNTON LIMITED

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

Going concern

The onset of the COVID-19 Coronavirus pandemic in the final quarter of the accounting period caused significant disruption to the normal business activities of the Group leading to the loss posted in the full year results.

The Directors expect that the disruption caused by COVID-19 will continue into 2021 and have prepared business plans on such a basis, taking action to mitigate risks where possible.

The Directors have prepared 3 year forecasts on a prudent basis which confirm that the Group will continue to operate within the facilities it has available to it for the foreseeable future.

On this basis the directors are of the opinion the going concern basis of accounting should continue to be adopted in preparing the financial statements.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions are in force for the benefit of the directors.

Matters covered in the strategic report

Certain information is not shown in the Directors' Report because it is shown in the Strategic Report instead under s414C (11). The Strategic Report includes a business review, future developments and principal risks and uncertainties.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

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

Auditor

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

This report was approved by the board on Dec 18, 2020

and signed on its behalf.


C J Tolley (Dec 18, 2020 16:34 GMT)

C J Tolley
Director

ANDY THORNTON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDY THORNTON LIMITED

Opinion

We have audited the financial statements of Andy Thornton Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated 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 and Parent Company's affairs as at 31 July 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDY THORNTON LIMITED

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.

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

Matters on which we are required to report by exception

In 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 or the Directors' Report.

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

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

ANDY THORNTON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDY THORNTON LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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.

Use of the audit 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.

Chris Hudson
Chris Hudson (Dec 18, 2020 20:06 GMT)

Christopher Hudson (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place
Leeds
West Yorkshire
LS1 4AP

Date: Dec 18, 2020

ANDY THORNTON LIMITED

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

	Note	2020 £	2019 £
Turnover	4	9,336,627	12,265,444
Cost of sales		(6,824,690)	(8,935,245)
Gross profit		<u>2,511,937</u>	<u>3,330,199</u>
Distribution costs		(133,721)	(194,871)
Administrative expenses		(3,006,123)	(2,907,481)
Other operating income	5	243,529	-
Fair value movements		-	23,999
Operating (loss)/profit	6	<u>(384,378)</u>	<u>251,846</u>
Interest receivable and similar income	10	28,142	-
Interest payable and expenses	11	(3,025)	(2,927)
(Loss)/profit before taxation		<u>(359,261)</u>	<u>248,919</u>
Tax on (loss)/profit	12	89,330	(69,125)
(Loss)/profit for the financial year		<u><u>(269,931)</u></u>	<u><u>179,794</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

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

The notes on pages 17 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	243,582	289,047
Tangible assets	15	251,697	298,991
		<u>495,279</u>	<u>588,038</u>
Current assets			
Stocks	17	1,575,082	1,987,359
Debtors: amounts falling due within one year	18	2,175,758	1,827,700
Cash at bank and in hand	19	693,471	694,760
		<u>4,444,311</u>	<u>4,509,819</u>
Creditors: amounts falling due within one year	20	(2,760,614)	(2,580,102)
Net current assets		<u>1,683,697</u>	<u>1,929,717</u>
Total assets less current liabilities		<u>2,178,976</u>	<u>2,517,755</u>
Provisions for liabilities			
Deferred taxation	22	(44,229)	(41,077)
		<u>(44,229)</u>	<u>(41,077)</u>
Net assets		<u><u>2,134,747</u></u>	<u><u>2,476,678</u></u>
Capital and reserves			
Called up share capital	23	150,000	150,000
Capital redemption reserve	24	250,000	250,000
Profit and loss account	24	1,734,747	2,076,678
		<u>2,134,747</u>	<u>2,476,678</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Dec 18, 2020

C J Tolley
C J Tolley (Dec 18, 2020 16:34 GMT)

C J Tolley
Director

The notes on pages 17 to 36 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	243,582	289,047
Tangible assets	15	251,697	298,991
Investments	16	250,000	250,000
		<u>745,279</u>	<u>838,038</u>
Current assets			
Stocks	17	1,575,082	1,987,359
Debtors: amounts falling due within one year	18	2,175,758	1,827,700
Cash at bank and in hand	19	693,471	694,760
		<u>4,444,311</u>	<u>4,509,819</u>
Creditors: amounts falling due within one year	20	<u>(3,010,614)</u>	<u>(2,830,102)</u>
Net current assets		<u>1,433,697</u>	<u>1,679,717</u>
Total assets less current liabilities		<u>2,178,976</u>	<u>2,517,755</u>
Provisions for liabilities			
Deferred taxation	22	<u>(44,229)</u>	<u>(41,077)</u>
		<u>(44,229)</u>	<u>(41,077)</u>
Net assets		<u><u>2,134,747</u></u>	<u><u>2,476,678</u></u>
Capital and reserves			
Called up share capital	23	150,000	150,000
Capital redemption reserve	24	250,000	250,000
Profit and loss account carried forward	24	1,734,747	2,076,678
		<u>2,134,747</u>	<u>2,476,678</u>

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

C J Tolley
C J Tolley (Dec 18, 2020 16:34 GMT)

Dec 18, 2020

C J Tolley
Director

The notes on pages 17 to 36 form part of these financial statements.

ANDY THORNTON LIMITED

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2019	150,000	250,000	2,076,678	2,476,678
Comprehensive income for the year				
Loss for the year	-	-	(269,931)	(269,931)
Total comprehensive income for the year	-	-	(269,931)	(269,931)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(72,000)	(72,000)
Total transactions with owners	-	-	(72,000)	(72,000)
At 31 July 2020	150,000	250,000	1,734,747	2,134,747

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2018	150,000	250,000	2,057,759	2,457,759
Comprehensive income for the year				
Profit for the year	-	-	179,794	179,794
Total comprehensive income for the year	-	-	179,794	179,794
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(160,875)	(160,875)
Total transactions with owners	-	-	(160,875)	(160,875)
At 31 July 2019	150,000	250,000	2,076,678	2,476,678

The notes on pages 17 to 36 form part of these financial statements.

ANDY THORNTON LIMITED

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2019	150,000	250,000	2,076,678	2,476,678
Comprehensive income for the year				
Loss for the year	-	-	(269,931)	(269,931)
Total comprehensive income for the year	-	-	(269,931)	(269,931)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(72,000)	(72,000)
Total transactions with owners	-	-	(72,000)	(72,000)
At 31 July 2020	150,000	250,000	1,734,747	2,134,747

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2018	150,000	250,000	2,057,759	2,457,759
Comprehensive income for the year				
Profit for the year	-	-	179,794	179,794
Total comprehensive income for the year	-	-	179,794	179,794
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(160,875)	(160,875)
Total transactions with owners	-	-	(160,875)	(160,875)
At 31 July 2019	150,000	250,000	2,076,678	2,476,678

The notes on pages 17 to 36 form part of these financial statements.

ANDY THORNTON LIMITED

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

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(269,931)	179,794
Adjustments for:		
Amortisation of intangible assets	71,974	72,986
Depreciation of tangible assets	84,666	111,381
Profit on disposal of tangible assets	-	(11,233)
Government grants	(243,529)	-
Interest charge	3,025	2,927
Interest received	(28,142)	-
Taxation (credit)/charge	(89,330)	69,125
Decrease in stocks	412,277	598,679
(Increase) in debtors	(322,687)	(202,331)
Increase/(decrease) in creditors	259,779	(297,771)
Net fair value losses/(gains) recognised in P&L	-	(23,999)
Corporation tax received/(paid)	13,217	(53,384)
Net cash generated from operating activities	<u>(108,681)</u>	<u>446,174</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(26,509)	(5,910)
Purchase of tangible fixed assets	(37,373)	(15,180)
Sale of tangible fixed assets	-	11,233
Interest received	28,142	-
HP interest paid	-	(543)
Net cash from investing activities	<u>(35,740)</u>	<u>(10,400)</u>

ANDY THORNTON LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Cash flows from financing activities		
Repayment of finance leases	-	(10,985)
Movements on invoice discounting	-	(2,985)
Dividends paid	(72,000)	(160,875)
Interest paid	(3,024)	(2,384)
Government grants received	218,156	-
Net cash generated from/used in financing activities	<u>143,132</u>	<u>(177,229)</u>
Net (decrease)/increase in cash and cash equivalents	(1,289)	258,545
Cash and cash equivalents at beginning of year	694,760	436,215
Cash and cash equivalents at the end of year	<u>693,471</u>	<u>694,760</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	693,471	694,760
	<u>693,471</u>	<u>694,760</u>

The notes on pages 17 to 36 form part of these financial statements.

ANDY THORNTON LIMITED

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

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	694,760	(1,289)	693,471
	-	-	-
	<u>694,760</u>	<u>(1,289)</u>	<u>693,471</u>

The notes on pages 17 to 36 form part of these financial statements.

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

1. General information

Andy Thornton Limited ("the Company") is a private company incorporated in England and Wales and limited by its shares. The address of its registered office and principal place of business is Rosemount, Huddersfield Road, Elland, West Yorkshire, HX5 0EE.

The Company is a parent undertaking and therefore these consolidated financial statements present the financial information of the Company and its subsidiary undertakings (together referred to as "the Group").

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates, being Pound Sterling, and as such, the Group financial statements have been prepared and presented in this currency.

The primary economic environment in which the Company operates is governed by Pounds Sterling, and as such the Company's financial statements have also been prepared and presented in this currency.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 Company has adopted the triennial review of FRS 102 effective for periods commencing on or after 1 January 2019.

The policies applied under the entity's previous accounting framework are not materially different to the triennial review of FRS 102 and have not impacted on equity or profit or loss.

The Company has chosen to take advantage of the following disclosure exemptions, as permitted by FRS 102 paragraph 1.12:

(i) The requirements of Section 11 *Basic Financial Instruments* paragraphs 11.39 to 11.48A and Section 12 *Other Financial Instrument Issues* paragraphs 12.26 to 12.29 relating to the disclosure of financial instruments.

(ii) The requirements of Section 33 *Related Party Disclosures* paragraph 33.7 relating to the disclosure of total key management personnel compensation.

(iii) The requirements of Section 7 *Statement of Cash Flows*.

The Group is not permitted to take advantage of any of the disclosure exemptions listed above in preparing the consolidated financial statements.

The Company has also taken advantage of section 408 of the Companies Act 2006 and has chosen not present its own Statement of Comprehensive Income in these financial statements.

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

2. Accounting policies (continued)

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.

2.3 Going concern

The onset of the COVID-19 Coronavirus pandemic in the final quarter of the accounting period caused significant disruption to the normal business activities of the Group leading to the loss posted in the full year results.

The Directors expect that the disruption caused by COVID-19 will continue into 2021 and have prepared business plans on such a basis, taking action to mitigate risks where possible.

The Directors have prepared 3 year forecasts on a prudent basis which confirm that the Group will continue to operate within the facilities it has available to it for the foreseeable future.

On this basis the directors are of the opinion the going concern basis of accounting should continue to be adopted in preparing the financial statements.

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

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

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.

2.5 Intangible 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 Income statement over its useful economic life of 20 years, being an estimate of the period over which the benefit is expected to remain.

Software

Software is measured at cost less accumulated amortisation. Software costs are amortised over their estimated useful economic life of 4 years.

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

2. Accounting policies (continued)

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10% straight line
Motor vehicles	- 25% straight line
Fixtures, fittings and equipment	- 10% to 25% straight line

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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 Statement of comprehensive income.

2.9 Debtors

Short term debtors are measured at transaction price, 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.

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

2. Accounting policies (continued)

2.11 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, 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 payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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 Government grants

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

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

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

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Group and Parent Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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.

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

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

2. Accounting policies (continued)

2.18 Pensions

Defined contribution pension plan

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

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

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.20 Interest income

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

2.21 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.

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

2. Accounting policies (continued)

2.22 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

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

In applying the Company and the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectively involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the accounting policies

The critical judgements that the directors have made in the process of applying the Company and the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below:

i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment to intangible or tangible assets, the directors have considered both external and internal sources of information such as market conditions and ability to use the assets as intended in the current economic conditions.

ii) Determining residual values and useful economic lives of tangible fixed assets

The Group depreciate tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

iii) Determining economic lives and value in use of intangibles assets

The Group depreciate intangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future performance and therefore requires estimates and assumptions to be applied by management. Where indicators of impairment exist management make an assessment of the value in use of the asset in question. The value in use calculation involves making a number of judgements and estimates. Management are satisfied that the no impairment is required to the value of intangibles following a review in the year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Stock provision

Management estimate the slow moving and obsolete provision required for stock held at the year end based on the age of the stock at the balance sheet date.

ANDY THORNTON LIMITED

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

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	7,894,486	10,309,884
Rest of Europe	722,340	1,321,891
Rest of the World	719,801	633,669
	<u>9,336,627</u>	<u>12,265,444</u>

5. Other operating income

	2020 £	2019 £
Government grants receivable	243,529	-
	<u>243,529</u>	<u>-</u>

6. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	84,666	111,381
Amortisation of intangible assets, including goodwill	71,974	72,986
Fees payable to the Group auditor for the audit of the Group and Company's annual accounts	13,450	13,450
Fair value movements	57,992	(23,999)
Exchange differences	(44,923)	(56,539)
Operating lease rentals	333,135	322,059
Defined contribution pension cost	128,157	125,878
	<u>128,157</u>	<u>125,878</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	13,450	13,450
	<u>13,450</u>	<u>13,450</u>

ANDY THORNTON LIMITED

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,412,004	2,611,603	2,412,004	2,611,603
Social security costs	205,737	237,041	205,737	237,041
Cost of defined contribution scheme	128,157	125,878	128,157	125,878
	<u>2,745,898</u>	<u>2,974,522</u>	<u>2,745,898</u>	<u>2,974,522</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Production staff	45	54	45	54
Administrative staff	35	39	35	39
	<u>80</u>	<u>93</u>	<u>80</u>	<u>93</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	320,168	246,457
Group contributions to defined contribution pension schemes	28,686	32,466
	<u>348,854</u>	<u>278,923</u>

During the year retirement benefits were accruing to 3 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration, excluding pension contributions, of £111,679 (2019 - £83,067).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2019 - £8,300).

ANDY THORNTON LIMITED

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

10. Interest receivable

	2020 £	2019 £
Other interest receivable	28,142	-
	<u>28,142</u>	<u>-</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	344	982
Other loan interest payable	2,681	1,402
Finance leases and hire purchase contracts	-	543
	<u>3,025</u>	<u>2,927</u>

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	76,751
Adjustments in respect of previous periods	(92,482)	-
Total current tax	<u>(92,482)</u>	<u>76,751</u>
Deferred tax		
Origination and reversal of timing differences	(1,681)	(7,626)
Effect of tax rate change on opening balance	4,833	-
Total deferred tax	<u>3,152</u>	<u>(7,626)</u>
Taxation on (loss)/profit on ordinary activities	<u>(89,330)</u>	<u>69,125</u>

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

12. Taxation (continued)

Factors affecting tax charge for the year

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

	2020 £	2019 £
Profit on ordinary activities before tax	(359,260)	248,919
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(68,259)	47,295
Effects of:		
Expenses not deductible for tax purposes	1,258	4,577
Fixed asset differences	14,594	16,357
Tax losses carried back	35,022	-
Adjustments to tax charge in respect of prior periods	(92,482)	-
Remeasurement of deferred tax for changes in tax rates	4,833	-
Other differences leading to an increase in the tax charge	15,704	896
Total tax charge for the year	(89,330)	69,125

Factors that may affect future tax charges

A corporation tax rate of 19% (effective from 1 April 2020) was substantively enacted in March 2020 and has therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 19% (2019: 17%).

13. Dividends

	2020 £	2019 £
Ordinary A		
Dividends paid on equity shares	72,000	160,875

ANDY THORNTON LIMITED

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

14. Intangible assets**Group and Company**

	Software £	Goodwill £	Total £
Cost			
At 1 August 2019	148,383	1,006,246	1,154,629
Additions	26,509	-	26,509
At 31 July 2020	<u>174,892</u>	<u>1,006,246</u>	<u>1,181,138</u>
Amortisation			
At 1 August 2019	128,675	736,907	865,582
Charge for the year on owned assets	21,662	50,312	71,974
At 31 July 2020	<u>150,337</u>	<u>787,219</u>	<u>937,556</u>
Net book value			
At 31 July 2020	<u>24,555</u>	<u>219,027</u>	<u>243,582</u>
At 31 July 2019	<u>19,708</u>	<u>269,339</u>	<u>289,047</u>

ANDY THORNTON LIMITED

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

15. Tangible fixed assets**Group and Company**

	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 August 2019	430,668	210,531	719,525	1,360,724
Additions	8,665	-	28,708	37,373
Disposals	-	-	(11,171)	(11,171)
At 31 July 2020	<u>439,333</u>	<u>210,531</u>	<u>737,062</u>	<u>1,386,926</u>
Depreciation				
At 1 August 2019	349,455	166,478	545,801	1,061,734
Charge for the year on owned assets	12,828	28,702	43,136	84,666
Disposals	-	-	(11,171)	(11,171)
At 31 July 2020	<u>362,283</u>	<u>195,180</u>	<u>577,766</u>	<u>1,135,229</u>
Net book value				
At 31 July 2020	<u>77,050</u>	<u>15,351</u>	<u>159,296</u>	<u>251,697</u>
At 31 July 2019	<u>81,213</u>	<u>44,053</u>	<u>173,724</u>	<u>298,990</u>

All the tangible fixed assets as stated above are pledged as security for liabilities.

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

	2020 £	2019 £
Motor vehicles	<u>-</u>	<u>7,490</u>

ANDY THORNTON LIMITED

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

16. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2019	250,000
At 31 July 2020	<u>250,000</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Andy Thornton Holdings Limited	Dormant company	Ordinary	100%
Andy Thornton Architectural Antiques Limited	Dormant company	Ordinary	100%
Andy Thornton (UK) Limited	Dormant company	Ordinary	100%

The registered office of all subsidiary undertakings is Rosemount, Huddersfield Road, Elland, West Yorkshire, HX5 0EE.

17. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Work in progress	89,825	87,902	89,825	87,902
Finished goods and goods for resale	1,485,257	1,899,457	1,485,257	1,899,457
	<u>1,575,082</u>	<u>1,987,359</u>	<u>1,575,082</u>	<u>1,987,359</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The full value of stock as disclosed above at both the current and prior year end is pledged as security for liabilities.

ANDY THORNTON LIMITED

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

18. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	1,670,458	1,188,202	1,670,458	1,188,202
Other debtors	10,756	3,604	10,756	3,604
Prepayments and accrued income	492,092	633,442	492,092	633,442
Financial instruments	2,452	2,452	2,452	2,452
	<u>2,175,758</u>	<u>1,827,700</u>	<u>2,175,758</u>	<u>1,827,700</u>

19. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	<u>693,471</u>	<u>694,760</u>	<u>693,471</u>	<u>694,760</u>

20. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	1,581,926	1,720,907	1,581,927	1,720,907
Amounts owed to group undertakings	-	-	250,000	250,000
Corporation tax	8,717	76,751	8,717	76,751
Other taxation and social security	368,627	183,478	368,627	183,478
Other creditors	118,805	44,808	118,804	44,808
Accruals and deferred income	682,539	554,158	682,539	554,158
	<u>2,760,614</u>	<u>2,580,102</u>	<u>3,010,614</u>	<u>2,830,102</u>

The bank has a charge in its favour consisting of:

- Debenture comprising of a fixed and floating charge over all assets including all present and future freehold and leasehold property, book and other debts, goodwill and other uncalled share capital within the Group;
- An unlimited multilateral guarantee has been given by all Group companies;
- A charge over all contract monies given by the Group; and
- A general pledge over documents and goods given by the Group.

ANDY THORNTON LIMITED

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

21. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Cash and cash equivalents	693,471	694,760	695,760	694,760
Financial assets that are debt instruments measured at amortised cost	1,681,214	1,191,806	1,681,214	1,191,806
Financial assets held at fair value through profit or loss	2,452	2,452	2,452	2,452
	<u>2,377,137</u>	<u>1,889,018</u>	<u>2,379,426</u>	<u>1,889,018</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(2,383,273)</u>	<u>(2,319,873)</u>	<u>(2,633,273)</u>	<u>(2,569,873)</u>

Financial assets measured at fair value through profit or loss comprise forward currency exchange contracts.

Financial assets measured at amortised cost comprise trade and other receivables.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, obligations under finance lease and hire purchase contracts, other creditors and accruals and deferred income.

ANDY THORNTON LIMITED

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

22. Deferred taxation**Group**

	2020 £	2019 £
At beginning of year	41,077	48,703
Charged to profit or loss	3,152	(7,626)
At end of year	<u>44,229</u>	<u>41,077</u>

Company

	2020 £	2019 £
At beginning of year	41,077	48,703
Charged to profit or loss	3,152	(7,626)
At end of year	<u>44,229</u>	<u>41,077</u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Fixed asset timing differences	36,919	34,576	36,919	34,576
Short term timing differences	7,310	6,501	7,310	6,501
	<u>44,229</u>	<u>41,077</u>	<u>44,229</u>	<u>41,077</u>

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
150,000 (2019 - 150,000) Ordinary A shares of £1.00 each	<u>150,000</u>	<u>150,000</u>

The ordinary A shares carry a right to vote, participate in any dividend payments and in distributions on winding up of the company.

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

24. Reserves

Capital redemption reserve

This reserve represents undistributable reserves that have arisen as a result of share repurchases in the current and previous periods.

Profit & loss account

This reserve represents cumulative profits and losses less dividends paid. The full reserve is available for distribution.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £128,157 (2019: £125,878). Contributions totalling £16,307 (2019: £21,771) were payable to the fund at the reporting date and are included within other creditors.

26. Commitments under operating leases

At 31 July 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	319,284	295,374	319,284	295,374
Later than 1 year and not later than 5 years	887,434	1,075,837	887,434	1,075,837
Later than 5 years	316,237	641,174	316,237	641,174
	<u>1,522,955</u>	<u>2,012,385</u>	<u>1,522,955</u>	<u>2,012,385</u>

27. Related party transactions

During the year, the Company paid dividends of £72,000 (2019: £160,875) to the directors who are also shareholders.

During the year, the Company made payments on behalf of directors totalling £1,676 (2019: £8,819). There was an outstanding balance of £47 (2019: £nil) at the year end.

28. Controlling party

In the opinion of the directors there is no single controlling party.