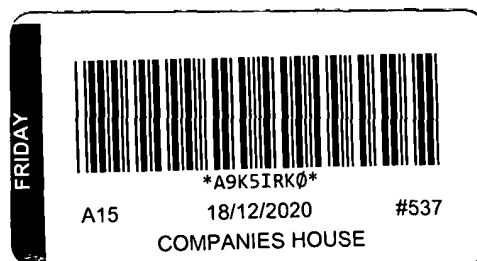


TEMPLEMAN RETAILING AND VENDING LIMITED

Annual Report and Financial Statements
for the Year Ended 31 March 2020



Templeman Retailing and Vending Limited

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Templeman Retailing and Vending Limited

Company Information

Directors	Mrs W. M. Templeman Mr K. Templeman
Registered office	Earlsway Team Valley Trading Estate Gateshead Tyne & Wear NE11 0RQ
Solicitors	Mincoffs Solicitors LLP 5 Osborne Terrace Jesmond Newcastle NE2 1SQ
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Templeman Retailing and Vending Limited

Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Principal activity

The principal activity of the company is that of the sale and operating of vending machines and the wholesale supply of soft drinks, confectionery and hot drink ingredients into the vending and foodservice market nationwide.

Fair review of the business

2019/20 saw an increase of 19% in turnover with a reduced GP% level of 18.26% being achieved due to an increase in lower margin higher volume sales. An increase in administrative expenses of 14.89% was due to increased workforce, transport costs and establishment costs. These costs however will form the foundation for growth in the coming years. The net outcome for the year was a profit after tax of £992,273.

The net assets of the company increased by £992,273 with the company investing heavily in commercial vehicles and premises showing the directors commitment to seek and achieve continued growth.

The company maintains adequate cash reserves to enable the company to meet the demand of its cashflow cycle. The directors monitor this on a frequent basis.

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

	Unit	2020	2019
Sales	£'000	48,510	40,751
Gross profit	£'000	8,861	8,309
Gross profit margin	%	18	20
Net profit margin before tax	%	3	4

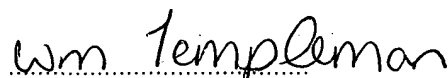
Principal risks and uncertainties

The stability of the supply chain is a risk which is mitigated by maintaining strong relationships with key suppliers. Maintaining the customer book in a competitive market is a challenge which can be mitigated by diversifying the company's customer base.

Future developments

The company continues to monitor the ongoing developments in the Covid-19 pandemic and has a business continuity plan in place to ensure it minimises the impact on both its customers and employees. The board believes that the company is in a very strong position to take advantage of the significant opportunities available to it and looks forward to the forthcoming year and beyond with cautious optimism.

Approved by the Board on 11/12/20 and signed on its behalf by:



Mrs W. M. Templeman
Director

Templeman Retailing and Vending Limited

Directors' Report for the Year Ended 31 March 2020

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

Directors of the company

The directors who held office during the year were as follows:

Mrs W. M. Templeman

Mr K. Templeman

Financial instruments

Objectives and policies

The company finances its activities with a combination of group loans, bank loans, finance leases and hire purchase contracts, cash and short term deposits. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk is the risk that changes in raw material prices have the potential to impact on the profitability of the company. The company does not consider that it is materially exposed to price risk.

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Company policies are aimed at minimising such losses and require customers to satisfy credit worthiness procedures prior to acceptance of orders. The company does not consider that it is materially exposed to price risk.

Cash flow and liquidity risk is the risk that the company's available cash will not be sufficient to meet its financial obligations. The company actively manages its cash flow position including collection of debts and timely payment of creditors. This, coupled with the strong cash position of the company and support of group companies is deemed sufficient to minimise the company's exposure to cash flow and liquidity risk.

Interest rate risk regarding unfavourable movements in interest rates is not perceived as being material to the accounts due to the borrowing agreements in place.

Future developments

See disclosures within the strategic report regarding future developments of the company.

As coronavirus continues to impact the global society, the board will adhere to government guidance and will review the needs of all of our stakeholders.

Templeman Retailing and Vending Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The company has recorded a profit before tax of £1,247,145 for the year and at the year end has net current assets of £2,425,946 including cash of £438,365.

The company meets its day to day working capital requirements through cash generated from operations and group company borrowings.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of Covid-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

In the directors assessment of possible changes they have considered a fall in demand and potential cost savings. The company has not needed to avail itself of the available reliefs put forward by HM Government with the exception of the furlough scheme for employees.

Although the forecast and projections prepared taking account of the matters above support the ability of the company to be remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of Covid-19, the continued level of government support and the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation.

However, based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

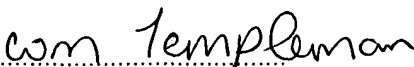
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 11/12/20 and signed on its behalf by:


Mrs W. M. Templeman
Director

Templeman Retailing and Vending Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Templeman Retailing and Vending Limited

Independent Auditor's Report to the Members of Templeman Retailing and Vending Limited

Opinion

We have audited the financial statements of Templeman Retailing and Vending Limited (the 'company') for the year ended 31 March 2020, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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.

Templeman Retailing and Vending Limited

Independent Auditor's Report to the Members of Templeman Retailing and Vending Limited (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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 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.

Templeman Retailing and Vending Limited

Independent Auditor's Report to the Members of Templeman Retailing and Vending Limited (continued)

Use of our report

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

MHA Tait Walker

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2020*

MHA Tait Walker is a trading name of Tait Walker LLP.

Templeman Retailing and Vending Limited

Income Statement for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	48,509,782	40,750,829
Cost of sales		<u>(39,648,307)</u>	<u>(32,442,328)</u>
Gross profit		8,861,475	8,308,501
Administrative expenses		(7,566,131)	(6,550,783)
Other operating income	4	<u>39,587</u>	<u>-</u>
Operating profit	5	1,334,931	1,757,718
Interest payable and similar expenses	6	<u>(87,786)</u>	<u>(46,853)</u>
Profit before tax		1,247,145	1,710,865
Taxation	10	<u>(254,872)</u>	<u>(356,870)</u>
Profit for the financial year		<u>992,273</u>	<u>1,353,995</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 25 form an integral part of these financial statements.

Templeman Retailing and Vending Limited

(Registration number: 06637798)

Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	7,345,447	7,120,925
Current assets			
Stocks	13	3,683,325	3,611,501
Debtors	14	4,052,438	3,888,520
Cash at bank and in hand		438,365	145,286
		<u>8,174,128</u>	<u>7,645,307</u>
Creditors: Amounts falling due within one year	15	<u>(5,748,182)</u>	<u>(5,762,291)</u>
Net current assets		<u>2,425,946</u>	<u>1,883,016</u>
Total assets less current liabilities		9,771,393	9,003,941
Creditors: Amounts falling due after more than one year	15	(2,363,213)	(2,692,730)
Provisions for liabilities	17	<u>(273,479)</u>	<u>(168,783)</u>
Net assets		<u>7,134,701</u>	<u>6,142,428</u>
Capital and reserves			
Called up share capital		240	240
Share premium reserve	19	1,417,785	1,417,785
Profit and loss account	19	5,716,676	4,724,403
Total equity		<u>7,134,701</u>	<u>6,142,428</u>

Approved and authorised by the Board on 11/12/20 and signed on its behalf by:


 Mrs W. M. Templeman
 Director

The notes on pages 12 to 25 form an integral part of these financial statements.

Templeman Retailing and Vending Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2018	240	1,417,785	3,370,408	4,788,433
Profit for the year	-	-	1,353,995	1,353,995
Total comprehensive income	-	-	1,353,995	1,353,995
At 31 March 2019	240	1,417,785	4,724,403	6,142,428

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2019	240	1,417,785	4,724,403	6,142,428
Profit for the year	-	-	992,273	992,273
Total comprehensive income	-	-	992,273	992,273
At 31 March 2020	240	1,417,785	5,716,676	7,134,701

The notes on pages 12 to 25 form an integral part of these financial statements.

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is Earlsway, Team Valley Trading Estate, Gateshead, Tyne & Wear, NE11 0RQ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

These financial statements are prepared in sterling which is the functional currency of the entity.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

The company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

Name of parent of group

These financial statements are consolidated in the financial statements of Templeman Trading Limited.

The financial statements of Templeman Trading Limited may be obtained from Earlsway, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0RQ.

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The company has recorded a profit before tax of £1,247,145 for the year and at the year end has net current assets of £2,425,946 including cash of £438,365.

The company meets its day to day working capital requirements through cash generated from operations and group company borrowings.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of Covid-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

In the directors assessment of possible changes they have considered a fall in demand and potential cost savings. The company has not needed to avail itself of the available reliefs put forward by HM Government with the exception of the furlough scheme for employees.

Although the forecast and projections prepared taking account of the matters above support the ability of the company to be remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of Covid-19, the continued level of government support and the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation.

However, based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other 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 as follows:

Useful economic lives of tangible assets - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation. The carrying amount is £7,345,447 (2019 - £7,120,925).

Impairment of debtors - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £3,934 (2019 - £30,157).

Revenue recognition

Turnover represents the value of goods sold and services provided during the year net of discounts, returns and Value Added Tax.

Turnover is recognised when the goods are physically despatched to the customer. Cash sales transactions are recognised at the time of collection from the machines.

Government grants

Government grants relating to the costs incurred by the company are recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants are presented separately and disclosed in other operating income in the income statement.

Other operating income includes the UK Government assistance provided through Coronavirus Job Retention Scheme during the Covid-19 pandemic.

Tax

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

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 operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Vending machines	20% reducing balance
Leasehold improvements	10 years straight line
Long leasehold	125 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sale of goods	<u>48,509,782</u>	<u>40,750,829</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020	2019
	£	£
CJRS income	<u>39,587</u>	<u>-</u>

5 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	1,231,182	1,000,872
Amortisation expense	-	7
Operating lease expense - property	123,750	123,749
Loss/(profit) on disposal of property, plant and equipment	10,491	(33,922)
Bad debts written off	<u>3,351</u>	<u>25,521</u>

6 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	53,352	25,812
Interest on obligations under finance leases and hire purchase contracts	<u>34,434</u>	<u>21,041</u>
	<u>87,786</u>	<u>46,853</u>

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	3,815,661	3,473,656
Social security costs	380,609	322,323
Pension costs, defined contribution scheme	79,278	46,324
	<u>4,275,548</u>	<u>3,842,303</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Administration and support	19	22
Operations	107	98
Management	10	9
	<u>136</u>	<u>129</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	53,527	80,000
Contributions paid to money purchase schemes	1,242	773
	<u>54,769</u>	<u>80,773</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020	2019
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

9 Auditor's remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>8,240</u>	<u>8,000</u>

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	152,743	332,447
UK corporation tax adjustment to prior periods	(2,567)	5
	<u>150,176</u>	<u>332,452</u>
Deferred taxation		
Arising from origination and reversal of timing differences	101,393	7,434
Arising from changes in tax rates and laws	-	16,984
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	3,303	-
	<u>104,696</u>	<u>24,418</u>
Total deferred taxation	<u>104,696</u>	<u>24,418</u>
Tax expense in the income statement	<u>254,872</u>	<u>356,870</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>1,247,145</u>	<u>1,710,865</u>
Corporation tax at standard rate	236,958	325,064
Effect of expense not deductible in determining taxable profit (tax loss)	12,858	14,814
Deferred tax expense relating to changes in tax rates or laws	-	16,984
Deferred tax expense from unrecognised temporary difference from a prior period	3,303	-
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	(2,567)	8
Tax increase from effect of capital allowances and depreciation	4,320	-
Total tax charge	<u>254,872</u>	<u>356,870</u>

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

	Liability £
2020	
Accelerated capital allowances	<u>273,479</u>
	Liability £
2019	
Accelerated capital allowances	<u>168,783</u>

11 Intangible assets

	Goodwill £
Cost or valuation	
At 1 April 2019	<u>633,568</u>
At 31 March 2020	<u>633,568</u>
Amortisation	
At 1 April 2019	<u>633,568</u>
At 31 March 2020	<u>633,568</u>
Carrying amount	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>-</u>

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

12 Tangible assets

	Leasehold Improvements £	Long leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Vending Machines £	Motor vehicles £	Total £
Cost or valuation							
At 1 April 2019	42,750	2,437,791	312,367	157,317	5,136,355	3,075,627	11,162,207
Additions	5,505	-	62,096	67,719	575,287	877,328	1,587,935
Disposals	-	-	-	-	(99,095)	(359,858)	(458,953)
At 31 March 2020	48,255	2,437,791	374,463	225,036	5,612,547	3,593,097	12,291,189
Depreciation							
At 1 April 2019	11,179	6,501	89,628	85,555	2,759,894	1,088,525	4,041,282
Charge for the year	4,574	19,499	39,900	24,023	542,250	600,936	1,231,182
Eliminated on disposal	-	-	-	-	(63,922)	(262,800)	(326,722)
At 31 March 2020	15,753	26,000	129,528	109,578	3,238,222	1,426,661	4,945,742
Carrying amount							
At 31 March 2020	32,502	2,411,791	244,935	115,458	2,374,325	2,166,436	7,345,447
At 31 March 2019	31,571	2,431,290	222,739	71,762	2,376,461	1,987,102	7,120,925

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

12 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020 £	2019 £
Motor vehicles	<u>1,562,211</u>	<u>1,418,329</u>

Contractual commitments for the acquisition of tangible assets

Contractual commitments for the acquisition of tangible assets were as follows:

	2020 £	2019 £
Motor vehicles	<u>-</u>	<u>116,313</u>

13 Stocks

	2020 £	2019 £
Stock	<u>3,683,325</u>	<u>3,611,501</u>

14 Debtors

	2020 £	2019 £
Trade debtors	2,747,848	3,615,909
Amounts owed by group undertakings	5,538	5,538
Other debtors	982,232	10,536
Prepayments	<u>316,820</u>	<u>256,537</u>
	<u>4,052,438</u>	<u>3,888,520</u>

15 Creditors

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	16	861,279	797,843
Trade creditors		1,579,817	1,077,244
Amounts owed to group undertakings		1,927,289	1,829,763
Social security and other taxes		466,218	374,858
Other creditors		695,290	1,224,068
Accrued expenses		182,794	320,423
Corporation tax liability		<u>35,495</u>	<u>138,092</u>
		<u>5,748,182</u>	<u>5,762,291</u>
Due after one year			
Loans and borrowings	16	<u>2,363,213</u>	<u>2,692,730</u>

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

16 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	230,677	225,591
Hire Purchase and finance lease liabilities	630,602	572,252
	<u>861,279</u>	<u>797,843</u>
	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	1,922,678	2,153,539
Hire purchase and finance lease liabilities	440,535	539,191
	<u>2,363,213</u>	<u>2,692,730</u>

Bank borrowings

The Natwest bank loan is denominated in sterling with a nominal interest rate of 2%, and the final instalment is due on 31 July 2023. The carrying amount at year-end is £581,919 (2019 - £646,852).

The loan is secured against the property asset to which it relates.

The Natwest mortgage is denominated in sterling with a nominal interest rate of 2.5%, and the final instalment is due on 31 December 2023. The carrying amount at year end is £1,571,436 (2019 - £1,732,278).

The mortgage is secured against the property asset to which it relates.

The obligations under high purchase and finance lease liabilities are secured by way of a floating charge over the related assets of the company.

17 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2019	168,783	168,783
Additional provisions	104,696	104,696
At 31 March 2020	<u>273,479</u>	<u>273,479</u>

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £79,278 (2019 - £46,324).

No contributions were outstanding at the reporting date (2019 - £Nil).

19 Reserves

Share capital

This represents the nominal value of shares that have been issued.

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses.

20 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	630,602	573,143
Later than one year and not later than five years	440,535	538,299
	<u>1,071,137</u>	<u>1,111,442</u>

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	48,750	123,750
Later than one year and not later than five years	-	48,750
	<u>48,750</u>	<u>172,500</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £123,750 (2019 - £123,750).

Templeman Retailing and Vending Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

21 Related party transactions

The company is a wholly owned subsidiary of Templeman Trading Limited. As permitted by Section 33.1A of FRS102, the company has chosen not to disclose transaction with its parent company or any wholly owned subsidiaries of the parent company.

Loans from related parties

	Key management		Other related parties	
	2020	2019	2020	2019
	£	£	£	£
At start of period	(850,451)	(914,040)	(373,617)	(320,497)
Advanced	-	-	(22,687)	(116,000)
Repaid	261,524	63,589	1,263,883	62,880
At end of period	<u>(588,927)</u>	<u>(850,451)</u>	<u>867,579</u>	<u>(373,617)</u>

Terms of loans from related parties

Loans from key management are interest free and repayable on demand. The balance is included within other creditors.

Loans to other related parties are interest free and repayable on demand. The balance is included within other debtors.

22 Parent and ultimate parent undertaking

The company's immediate parent is Templeman Trading Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Templeman Trading Limited. These financial statements are available upon request from Earlsway, Team Valley Trading Estate, Gateshead, NE11 0RQ.

The ultimate controlling party is Mrs W. M. Templeman.