Registered number: 08121382

VIVALDA GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY INFORMATION

Directors	Mr B Jayes Mr P Doherty
Company secretary	Mr P Doherty
Registered number	08121382
Registered office	99 Victoria Road Park Royal London NW10 6DJ
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their strategic report with the financial statements of the group for the year ended 31 December 2020.

Business review

The directors are happy with the financial performance of the group in 2020. Group revenues grew by £3.3m to £37,129,584 (2019:£33,846,779), an increase of 9.7%. Our Gross profit margin remained static at 31% (2019: 31%). Operating costs increased by 9.4% in line with the Group's increased revenue. Excluding other operating income, profit before tax increased by 7.5% to £3,326,524 (2019: £3,093,472) and the Group EBITDA for 2020 was £3.8m (2019: £3.49m). Including other operating income, the EBITDA for 2020 was £4.42m.

The consolidated balance sheet continues to improve with net assets increasing by £2,256,611 to £15,044,573 (2019: £12,949,141), a 17.5% increase year on year. The return on capital employed (ROCE) has improved to 25.97% (2019: 23.62%). The cash balance increased to £4,439,379 (2019: £2,464,790). Vivalda Group has a strategic policy of using cash reserves where possible and in 2020 invested £2,378,583 in fixed assets. The Group intend to adopt the same policy in 2021 but, it should be noted that we have agreements in principle with lenders to secure funding for larger investments.

During 2020, the Group purchased further office space in London as well as warehouse facilities in Manchester at a combined cost of £1.92m. Contracts have been exchanged on a new warehouse in Cheltenham with the completion scheduled in June 2021. All Group property is debt free and owned outright.

The Group are also excited to have entered into a contract with a leading global ERP provider that will provide a superior platform for the Group to operate from. It is anticipated the platform will go live in late 2021.

The outbreak of Coronavirus in 2020 provided new challenges for all companies in the Vivalda Group. It is credit to senior management that an emergency strategy was quickly devised and executed with the welfare of all employees central to strategy. Whilst a number of employees were placed on short term furlough leave, the Group declined the opportunity to obtain finance through Government CBIL or BBLS loans and quickly implemented a plan to get all employees back to work either remotely or in safe working environments. Whilst trading was impacted throughout the Group for a short period, in line with the Government's directive to keep the construction industry working, the Group invested in additional Health & Safety equipment to ensure we minimised disruption to active construction projects.

The impact of the Grenfell Tower fire continues to influence the strategy of the Group. We continue to support the Ministry of Housing, Communities & Local Government (MHCLG) Cladding Remediation Programme by providing the expertise of Group Chairman Peter Johnson and non-executive director Chris Williams. The Group continues to campaign for the replacement of unsafe cladding with reputable products distributed by Vivalda Group companies which meet the new legislation.

The Group is satisfied with its position after the United Kingdom's exit from the European Union in 2020. Despite the continued uncertainty of a "No Deal" Brexit, the signing of the Trade & Cooperation agreement in late 2020 brought clarity to the Group. We continue to work closely with our key manufacturers in the Eurozone and despite issues with increased freight costs, increased export/import documentation when the Brexit Transition period expired and the availability of hauliers in January 2021, the group has overcome the challenges and is operating at normal levels at the time of this report.

The key to the success of the Group is a wealth of talented employees. Their dedication and loyalty have driven the growth in the Group performance and financial position in 2020. The directors of Vivalda Group PLC reiterate their gratitude to every single employee during what was a particularly challenging year, and fully commits to providing them with a safe, comfortable and enjoyable place of work, free from any form of prejudice. We continue to strive to provide opportunities for all employees to personally develop through internal and external training. As the Group grows in size, we will continue our policy of offering career paths for the most talented individuals. The Group continues to champion equal rights for all employees and continue to be committed to having a diverse range of employees at all levels. During the period in question, the Group retained 82% of the employees employed on 1st January 2020 at the end of the reporting period.

Despite the challenges faced during 2020, the Vivalda Group continued its strategy of rewarding employees with discretionary bonuses amounting to £350,000 being awarded during the year. The group continue to provide various staff benefits and wellbeing initiatives to maintain a motivated team of employees.

The Board of Directors took the decision in 2020 to appoint independent Health & Safety advisors who provide strategic advice, carry out regular Health & Safety audits and act as the company competent person as defined by the Management of Health & Safety at work regulations. In 2020 there were two reportable instances within the group.

The Group also made a number of targeted charitable donations during the year 2020 and intend to make specific charitable donations in 2021.

Principal risks and uncertainties

The directors continue to review risks and uncertainties but key business risks affecting the Group are considered to be the state of the UK building industry and the level of consumer demand within the UK economy. The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. The process is the continuing monitoring of both forecast and actual cash flows and matching the maturing profiles of financial assets and liabilities.

Financial Instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling. The company does not enter into any formal hedging arrangements.

The group's financial instruments comprise of bank balances, bank loan and overdraft, hire purchase, lease finance, trade debtors and trade creditors.

Due to the nature of the financial instruments used by the group, there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of bank loans at market rates of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring funds are available to meet amounts due.

Financial key performance indicators

The financial key performance indicators are turnover and profits. The group's performance against these criteria is discussed in the business review above.

Directors' statement of compliance with duty to promote the success of the Group

The Directors of the Group, as those of all UK companies, must act in accordance with a set of general duties which are set out in detail in section 172 of UK Companies Act 2006. The following paragraphs summarise how the Directors' fulfil their duties:

Risk Management: The Board has overall responsibility for risk management and in conjunction with the directors of our subsidiaries, we effectively identify, evaluate, manage and mitigate these risks. The board strategy is to continue to evolve in our approach to risk management but, to always act in a manner that protects the Vivalda Group, its employees and all stakeholders.

Our People: We are committed to be a responsible business, aligned with expectations of our people, clients, communities' and society. People are at the heart of our services, so we need to manage and develop our people's performance and bring through talent. We must ensure we share common values and guide behaviour, so we achieve our goals the right way.

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

Business Relationships: Our strategy is to grow the Vivalda Group organically, through new products and through business acquisitions. To do this we need to maintain and develop existing strong relationships with all stakeholders. Customer satisfaction is evidenced through repeat sales. Strong allegiances with suppliers ensure the Vivalda Group is trusted to distribute their products. As the company grows, we are developing closer relationships with external stakeholders such as credit rating agencies, insurance providers, professional services companies and our bankers. .

Community and Environment: The company approach is act as a "Good neighbour" at all locations we operate from ensuring we are considerate to homes and businesses nearby. The group is developing a green transport policy and has already replaced older vehicles with newer less polluting vehicles and encourages staff to use public transport where possible.

Shareholders: The board is committed to engaging with its key shareholders so that they understand our strategy and objectives. The board is also receptive to the opinions and advice offered by key shareholders. Collectively, the board and the shareholders share a common objective to enrich and grow the company by retaining profits to reinvest within the Vivalda Group.

Employees: The Vivalda Group recognise the importance of all employees and their part in the success of the Group. A quarterly internal newsletter is circulated to keep all employees informed of ongoing activities across all sites. The Board welcome feedback from all employees and Regional Directors visit their branches regularly to share information and receive feedback from employees.

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

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Mr B Jayes
Director

Date: 8 June 2021

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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 in the year under review continue to be the distribution and supply of cladding and building boards to the construction industry.

Results and dividends

The profit for the year, after taxation, amounted to £3,146,932 (2019 - £2,517,386).

The results are detailed in the financial statements and commented upon in the strategic report. Dividends paid are disclosed in the financial statements.

Directors

The directors who served during the year were:

Mr B Jayes
Mr P Doherty

Future developments

The directors anticipate the business environment will remain competitive. They believe that the group is in a good financial position and they remain confident that the group will continue to perform well. More details are given in the strategic report.

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

Engagement with employees

See Strategic Report for further details.

Engagement with suppliers, customers and others

See Strategic Report for further details.

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, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

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Mr B Jayes
Director

Date: 8 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIVALDA GROUP PLC

Opinion

We have audited the financial statements of Vivalda Group Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIVALDA GROUP PLC (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 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.

Alan Poole BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 8 June 2021

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

	Note	2020 £	2019 £
Turnover	4	**37,129,584**	33,846,779
Cost of sales		**(25,284,451)**	(23,034,664)
Gross profit		**11,845,133**	10,812,115
Administrative expenses		**(8,518,609)**	(7,718,643)
Other operating income	5	**623,034**	-
Operating profit	6	**3,949,558**	3,093,472
Interest receivable and similar income		**918**	5,061
Interest payable and expenses		**(7,458)**	(5,458)
Profit before taxation		**3,943,018**	3,093,075
Tax on profit	9	**(796,086)**	(575,689)
Profit for the financial year		**3,146,932**	2,517,386

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

The notes on pages 16 to 32 form part of these financial statements.

VIVALDA GROUP PLC
REGISTERED NUMBER: 08121382

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	12		**187,422**		209,364
Tangible assets	13		**8,263,353**		6,360,473
			8,450,775		6,569,837
Current assets					
Stocks	15	**2,346,577**		2,465,686	
Debtors: amounts falling due within one year	16	**6,609,398**		6,569,815	
Cash at bank and in hand	17	**4,439,379**		2,464,790	
		13,395,354		11,500,291	
Creditors: amounts falling due within one year	18	**(6,640,377)**		(4,974,774)	
Net current assets			**6,754,977**		6,525,517
Total assets less current liabilities			**15,205,752**		13,095,354
Creditors: amounts falling due after more than one year	19		**(66,413)**		(121,907)
Provisions for liabilities					
Deferred taxation	21		**(94,766)**		(24,306)
Net assets			**15,044,573**		12,949,141
Capital and reserves					
Called up share capital	22		**100,000**		100,000
Merger reserve	23		**(231,365)**		(231,365)
Profit and loss account	23		**15,175,938**		13,080,506
Equity attributable to owners of the parent Company			**15,044,573**		12,949,141

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

....
Mr B Jayes
Director

Date: 8 June 2021

The notes on pages 16 to 32 form part of these financial statements.

VIVALDA GROUP PLC
REGISTERED NUMBER: 08121382

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	13		**6,382,307**		4,460,630
Investments	14		**1,587,818**		1,587,817
			7,970,125		6,048,447
Current assets					
Debtors: amounts falling due within one year	16	**1,112,584**		1,243,604	
Cash at bank and in hand	17	**6,543**		1,267,855	
		1,119,127		2,511,459	
Creditors: amounts falling due within one year	18	**(192,401)**		(79,228)	
Net current assets			**926,726**		2,432,231
Total assets less current liabilities			**8,896,851**		8,480,678
Net assets			**8,896,851**		8,480,678
Capital and reserves					
Called up share capital	22		**100,000**		100,000
Profit and loss account			**8,796,851**		8,380,678
			8,896,851		8,480,678

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

....
Mr B Jayes
Director

Date: 8 June 2021

The notes on pages 16 to 32 form part of these financial statements.

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

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	100,000	(231,365)	13,080,506	12,949,141
Profit for the year	-	-	3,146,932	3,146,932
Dividends: Equity capital	-	-	(1,051,500)	(1,051,500)
At 31 December 2020	100,000	(231,365)	15,175,938	15,044,573

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

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	100,000	(231,365)	11,070,886	10,939,521
Profit for the year	-	-	2,517,386	2,517,386
Dividends: Equity capital	-	-	(507,766)	(507,766)
At 31 December 2019	100,000	(231,365)	13,080,506	12,949,141

The notes on pages 16 to 32 form part of these financial statements.

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	**100,000**	**8,380,678**	**8,480,678**
Profit for the year	-	1,467,673	1,467,673
Dividends: Equity capital	-	(1,051,500)	(1,051,500)
At 31 December 2020	**100,000**	**8,796,851**	**8,896,851**

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	**100,000**	**2,653,763**	**2,753,763**
Profit for the year	-	6,234,681	6,234,681
Dividends: Equity capital	-	(507,766)	(507,766)
At 31 December 2019	**100,000**	**8,380,678**	**8,480,678**

The notes on pages 16 to 32 form part of these financial statements.

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

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	**3,146,932**	2,517,386
Adjustments for:		
Amortisation of intangible assets	**21,942**	10,057
Depreciation of tangible assets	**473,048**	384,553
(Profit)/loss on disposal of tangible assets	**(5,716)**	(12,000)
Interest paid	**7,458**	5,458
Interest received	**(918)**	(5,061)
Taxation charge	**796,086**	575,689
Decrease/(increase) in stocks	**119,109**	(650,264)
(Increase) in debtors	**(40,040)**	(701,300)
Increase in creditors	**1,407,543**	342,795
Corporation tax (paid)	**(380,628)**	(462,261)
Net cash generated from operating activities	**5,544,816**	2,005,052
Cash flows from investing activities		
Purchase of tangible fixed assets	**(2,378,583)**	(406,081)
Sale of tangible fixed assets	**8,371**	12,000
Purchase of fixed asset investments	**(1)**	(1,475,950)
Interest received	**918**	5,061
HP interest paid	**(922)**	(922)
Net cash from investing activities	**(2,370,217)**	(1,865,892)
Cash flows from financing activities		
Repayment of/new finance leases	**(78,426)**	(34,248)
Dividends paid	**(1,051,500)**	(507,766)
Interest paid	**(6,536)**	(4,536)
Net cash used in financing activities	**(1,136,462)**	(546,550)
Net increase/(decrease) in cash and cash equivalents	**2,038,137**	(407,390)
Cash and cash equivalents at beginning of year	**2,401,242**	2,808,632
Cash and cash equivalents at the end of year	**4,439,379**	2,401,242
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**4,439,379**	2,464,790
Bank overdrafts	**-**	(63,548)
	4,439,379	2,401,242

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

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	2,464,790	1,974,589	4,439,379
Bank overdrafts	(63,548)	63,548	-
Finance leases	(284,620)	78,426	(206,194)
	2,116,622	2,116,563	4,233,185

The notes on pages 16 to 32 form part of these financial statements.

1. General information

Vivalda Group Plc is a company incorporated and domiciled in England and has its registered office and principal place of business at 99 Victoria Road, Park Royal, London, NW10 6DJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

The Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

2.3 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.

2. Accounting policies (continued)

2.4 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 Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

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

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

2.5 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:

Freehold property	- 2% straight line
Long-term leasehold property	- straight line over the life of the lease
Short-term leasehold property	- straight line over the life of the lease
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 33% 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.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.7 Stocks

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

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

2.8 Debtors

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

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at

2. Accounting policies (continued)

2.10 Financial instruments (continued)

the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 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.

2.12 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.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.14 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.

2.15 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.

2.16 Pensions

Defined contribution pension plan

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

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

2.17 Interest income

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

2.18 Borrowing costs

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

2.19 Provisions for liabilities

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

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

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

2. Accounting policies (continued)

2.20 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Bad debt provision

Provisions are estimated by the company in respect of specific bad debts based upon the age of the debt and any known recoverability issues.

Stock provision

Provisions are estimated by the company in respect of specific stock items based upon the age and

condition of the items and any known issues.

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

4. Turnover

	2020	2019
	£	£
Turnover	37,129,584	33,846,779

Analysis of turnover by country of destination:

	2020	2019
	£	£
United Kingdom	35,958,838	31,973,158
Rest of Europe	1,170,746	1,873,621
	37,129,584	33,846,779

5. Other operating income

	2020	2019
	£	£
Government grants receivable	623,034	-

6. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	473,048	384,553
Fees payable to the Group's auditor and its associates for the audit of the Group and subsidiaries' annual financial statements	43,000	37,375
Exchange differences	(3,550)	(78,017)
Other operating lease rentals	83,790	48,063
Defined contribution pension cost	194,251	113,346

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

7. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	**4,785,872**	3,458,463	**-**	-
Social security costs	**469,263**	366,937	**-**	-
Cost of defined contribution scheme	**194,251**	113,446	**-**	-
	5,449,386	3,938,846	**-**	-

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

	2020 No.	2019 No.
Management	**23**	11
Administration	**26**	32
Sales and distribution	**104**	70
	153	113

8. Directors' remuneration

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

Aggregate directors' remuneration for the year was £152,000 (2019: £147,947).

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	**726,497**	597,038
Adjustments in respect of previous periods	**(871)**	43,023
Total current tax	**725,626**	640,061
Deferred tax		
Origination and reversal of timing differences	**63,576**	(64,372)
Adjustments in respect of previous periods	**6,884**	-
Total deferred tax	**70,460**	(64,372)
Taxation on profit on ordinary activities	**796,086**	575,689

Factors affecting tax charge for the year

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

	2020 £	2019 £
Profit on ordinary activities before tax	**3,943,018**	3,093,075
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**749,173**	587,684
Effects of:		
Expenses not deductible for tax purposes	**9,196**	8,294
Adjustments to tax charge in respect of prior periods	**6,013**	6,259
Other differences	**31,704**	(26,548)
Total tax charge for the year	**796,086**	575,689

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period and to increase the deferred tax liability. The impact of these changes is not expected to be material.

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

10. Dividends

	2020	2019
	£	£
Dividends paid during the year	**1,051,500**	507,766

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £1,467,673 (2019 - £6,234,681).

12. Intangible assets

Group and Company

	Goodwill
	£
Cost	
At 1 January 2020	**219,421**
At 31 December 2020	**219,421**
Amortisation	
At 1 January 2020	**10,057**
Charge for the year	**21,942**
At 31 December 2020	**31,999**
Net book value	
At 31 December 2020	**187,422**
At 31 December 2019	209,364

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

13. Tangible fixed assets

Group

	Freehold property	Long-term leasehold property	Short-term leasehold property	Plant and machinery	Motor vehicles
	£	£	£	£	£
Cost					
At 1 January 2020	5,108,390	136,240	3,928	1,209,665	662,363
Additions	1,921,677	-	-	126,065	145,684
Disposals	-	-	-	(6,690)	(93,887)
At 31 December 2020	7,030,067	136,240	3,928	1,329,040	714,160
Depreciation					
At 1 January 2020	8,000	-	2,456	737,711	273,634
Charge for the year on owned assets	16,000	-	393	146,380	172,753
Disposals	-	-	-	(6,690)	(91,724)
At 31 December 2020	24,000	-	2,849	877,401	354,663
Net book value					
At 31 December 2020	7,006,067	136,240	1,079	451,639	359,497
At 31 December 2019	5,100,390	136,240	1,472	471,954	388,729

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

13. Tangible fixed assets (continued)

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 January 2020	**533,382**	**20,403**	**7,674,371**
Additions	**182,253**	**2,904**	**2,378,583**
Disposals	**(606)**	**-**	**(101,183)**
At 31 December 2020	**715,029**	**23,307**	**9,951,771**
Depreciation			
At 1 January 2020	**283,537**	**8,560**	**1,313,898**
Charge for the year on owned assets	**133,219**	**4,303**	**473,048**
Disposals	**(114)**	**-**	**(98,528)**
At 31 December 2020	**416,642**	**12,863**	**1,688,418**
Net book value			
At 31 December 2020	**298,387**	**10,444**	**8,263,353**
At 31 December 2019	249,845	11,843	6,360,473

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

	2020	2019
	£	£
Motor vehicles	**359,497**	320,877

13. Tangible fixed assets (continued)

Company

	Freehold property	Long-term leasehold property	Total
	£	£	£
Cost			
At 1 January 2020	4,324,390	136,240	4,460,630
Additions	1,921,677	-	1,921,677
At 31 December 2020	6,246,067	136,240	6,382,307
Net book value			
At 31 December 2020	6,246,067	136,240	6,382,307
At 31 December 2019	4,324,390	136,240	4,460,630

No depreciation has been charged in the year as management consider the residual value to be higher than the net book value.

14. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 January 2020	1,587,817
Additions	1
At 31 December 2020	1,587,818

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

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Vivalda Limited	Ordinary	100 %
Vivalda Scotland Limited	Ordinary	100 %
Pura Facades Limited	Ordinary	100 %
BBS Facades Limited	Ordinary	100 %
Vivalda Ireland Limited	Ordinary	100 %
M.S.P (Scotland) Limited	Ordinary	100 %
Prism Powder Coating Limited	Ordinary	100 %

15. Stocks

	Group 2020 £	Group 2019 £
Finished goods	**2,093,742**	2,294,360
Work in progress	**4,400**	23,719
Finished goods and goods for resale	**248,435**	147,607
	2,346,577	2,465,686

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

16. Debtors

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Trade debtors	**5,518,914**	6,426,302	**-**	-
Amounts owed by group undertakings	**-**	-	**1,112,584**	1,243,604
Other debtors	**1,011,672**	47,929	**-**	-
Prepayments and accrued income	**78,812**	95,584	**-**	-
	6,609,398	6,569,815	**1,112,584**	1,243,604

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

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	**4,439,379**	2,464,790	**6,543**	1,267,855
Less: bank overdrafts	**-**	(63,548)	**-**	-
	4,439,379	2,401,242	**6,543**	1,267,855

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	**-**	63,548	**-**	-
Trade creditors	**3,258,784**	2,963,122	**-**	-
Amounts owed to group undertakings	**-**	-	**1**	1
Corporation tax	**759,052**	414,511	**94,443**	24,171
Other taxation and social security	**1,718,543**	776,273	**60,836**	17,234
Obligations under finance lease and hire purchase contracts	**139,781**	162,713	**-**	-
Other creditors	**164,225**	120,829	**29,189**	28,018
Accruals and deferred income	**599,992**	473,778	**7,932**	9,804
	6,640,377	4,974,774	**192,401**	79,228

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

	Group 2020 £	Group 2019 £
Net obligations under finance leases and hire purchase contracts	**66,413**	121,907

Finance lease liabilities are secured on the related assets.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	**139,781**	162,713
Between 1-5 years	**66,413**	121,907
	206,194	284,620

21. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	**(24,306)**	(88,678)
Charged to profit or loss	**(70,460)**	64,372
At end of year	**(94,766)**	(24,306)

	Group 2020 £	Group 2019 £
Short term timing differences	**(94,766)**	(24,306)
	(94,766)	(24,306)

22. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
65,000 (2019 - 65,000) Ordinary A shares of £1.00 each	**65,000**	65,000
10,000 (2019 - 10,000) Ordinary B shares of £1.00 each	**10,000**	10,000
25,000 (2019 - 25,000) Ordinary C shares of £1.00 each	**25,000**	25,000
	100,000	100,000

23. Reserves

Merger Reserve

The merger reserve represents the difference between the nominal value of the parent company's investment and the share capital of subsidiaries eliminated on consolidation, for those subsidiaries that are consolidated using merger accounting principles.

Profit and loss account

Profit and loss reserves represent the cumulative undistributed profits of the group.

24. 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 £194,251 (2019: £113,446).

25. Related party transactions

The company trades with other group companies on a regular basis. All transactions are conducted on an arms length basis and consist of the reallocation of administration overheads. Transactions with group companies are not disclosed as permitted by FRS 102.

At 31 December 2020 the group was owed £700,000 by a director in respect of a loan which was advanced during the year. The loan is expected to be fully repaid during 2021. No interest is being charged on this loan.

26. Controlling party

The ultimate controlling party is Mr Peter Johnson by virtue of his shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.