

Company Registration No. 11003793 (England and Wales)

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

WHITEMEADOW INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	P Ainley M Clarridge P Garnett A Kitchen D Oscroft I Oscroft
Company number	11003793
Registered office	Orchard Way Calladine Business Park Sutton in Ashfield Nottinghamshire NG17 1JU
Auditor	Azets Audit Services 2 Regan Way Chetwynd Business Park Chilwell Nottingham NG9 6RZ

WHITEMEADOW INVESTMENTS LIMITED

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WHITEMEADOW INVESTMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Fair review of the business

Turnover for the year was £47.5m compared to £52.8m in 2019, with a pre-tax profit for the year of £617k.

Turnover has decreased by 10.1%, but we have seen an end of year increase in our order book of 78%. This is due to the exceptional circumstances of Covid 19 impacting on our production facilities between March and June 2020.

During 2020, the business started a consolidation process aimed at reducing the overall number of production sites within the group, whilst improving the overall production capability and environment for our employees.

The initial implications of Covid 19 resulted in many of our employees to be furloughed, with a gradual reopening of our production facilities in line with government guidelines and customer demand. The ongoing and longer-term implications were raw material shortages and price inflation due to scarce supplies of goods, and this continued throughout 2020. All the production facilities reopened fully and resumed operations as close to normal as permissible, and we encouraged employees where possible to work from home to maintain a controlled environment as tightly as possible.

The reduced global economic activity did bring about several raw material shortages and has led to a significant increase in the raw material cost base. The raw material situation remains very uncertain into 2021 and we are still seeing increased pricing and delayed deliveries.

Principal risks and uncertainties

The shareholders of the business are heavily involved in the day-to-day management of the group of companies and hold regular meetings to review the performance of the group. They analyse the potential risks and opportunities and put into place appropriate plans to mitigate risks and promote opportunities.

Cash and Debtors are constantly monitored to optimise the business cash flow.

Principal risks and uncertainties include:

- The continued impact of the Covid 19 pandemic, the effect on labour availability and loss of such at short notice
- Britain's exit from the EU, in particular, the availability of a labour force that the industry has relied upon for years. New import and export regulations are also adding to the complexity of sales and supply chains
- Continued increases in container and shipping prices are affecting the global economy in terms of supply time frames as well as cost

The business is constantly looking at its supply chain to mitigate these risks, through improved supply chain management, diversification opportunities to support our own supply requirements, and strong treasury management to ensure we minimise any exchange rate risks.

WHITEMEADOW INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Key performance indicators

The key objectives for the business are: Level of orders- we continually monitor the level of orders into and out of the business. This is categorised by customer accounts and product ranges and gives us a direct opportunity to enhance ongoing relationships whilst exploring opportunities with new customers. This achieved a growth in turnover whilst developing our overall customer base.

Raw material and Gross Margin- tracking of these are key to the long-term success of the business. Along with the customer base, our material requirement is a key aspect of our product.

Currency- we monitor the currency markets on a regular basis and use a combination of short-term forward contracts and spot markets to optimise our exchange rate exposure. This is a key factor in the determination of our raw material cost base.

Labour- is a key resource to our future, and as such we are investing in this area continually through training and employee welfare. We work with our key customers and legislation changes to ensure we meet and stay ahead of their requirements and are proud to employ a wide range of nationalities.

Transport costs- these are key drivers within the business and have significant impacts on operational efficiencies, the underlying cost structure, and the environment whilst providing our customer base with a quality service. We are constantly therefore challenging this area to develop and improve our service.

Other Key Performance Indicators

Our Sales and Commercial Directors and teams are constantly working with customers and suppliers on all aspects of account management, reporting and analysis of areas such as delivery, quality, and performance.

S172 Report

Company Vision- Driven to lead. Proud to impress.

Our mission at Whitemeadow is to constantly strive to lead in our industry, both in terms of product, service and innovation.

We're proud of the work we do and the people we work alongside. Most companies exist to simply make and sell product. We're different. We exist because we believe in inspiring, impressing and innovating.

Our Values

There are six pillars on which the Whitemeadow brands rests:

- Crafted- everything we do we do with care and accuracy. Crafting British- made upholstery skills that have taken years to master.
- Vibrant- our vibrant workplace culture helps inspire creativity and craftsmanship.
- Proud- we're proud of what we do. We're proud of who we are. We're proud of how far we've come and where we're going.
- Dynamic- dynamic working is instrumental to our everyday operations. Instilling a high-trust, high-performance culture within our business.
- Dependable- constantly delivering on our designs, quality, and service.
- Best in Class- We aspire to be the best we can be crafting innovative products that people are proud to own, taking the lead in our industry.

WHITEMEADOW INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Employee Engagement

Our vision takes a multi-disciplined workforce, each with skills that contribute to pushing us ahead of our competition and impressing our loyal customer base. We encourage engagement from everyone in the business and truly believe by doing this our vision and values will become the unifying components of our company culture and in time this will ultimately lead to a better workplace for all, and a company that has a strong and bright future.

We offer a competitive salary, generous holiday allowance, formal and informal training opportunities, good welfare facilities and a wide range of employee benefits and opportunities to enable our employees to fulfil their potential.

Our Joint Consultative Committee enables all employees to feel involved and have a voice. We are working hard to create an environment where employees feel valued and are recognised for their hard work and successful demonstration of our company values. We hold monthly and annual employee recognition awards and are proud to be an Investors in People accredited employer.

We take our commitment to the development of our employees very seriously and invest in their future by offering apprenticeship schemes and accessible routes to career progression.

Our industry leading in-house Sewing Academy has now trained a number of fully qualified Sewing Machinists who have earned a Modern Upholster Qualification and now work full time in our factories. Due to this success, we are proud to be launching our Upholstery Academy later in 2021.

Whitemeadow are also working very hard to abolish gender stereotypes in the industry by encouraging men and women into roles they wouldn't normally be associated with. We now have a number of women working in driving and production roles such as Upholstering, and a number of men in our Sewing Rooms as fully qualified Sewing Machinists.

Community and Industry Commitment

Whitemeadow continues to lead the charge on educating and inspiring the next generation of skilled furniture makers. By sharing our knowledge and skills with local students, we hope to show them that there are some fantastic career opportunities right on their doorstep in the future. Local residents were also offered the opportunity to come along and find out more about career opportunities in the furniture industry. Whitemeadow also work with partners such as job centres, parole services and the Armed Forces Community to provide pathways into work.

We also sponsor the Furniture Makers' School Design Prize and Young Furniture Makers Exhibition to encourage talent into the industry.

Charity Work

Whitemeadow are active members of the Furniture Makers' Company charity, who support the furniture industry by helping those who work or have worked in the sector; ensure its long-term success by developing the future generations; and inspire excellence in design and manufacture. We are involved in several fund-raising initiatives every year.

Our employees are also raising money through regular fund-raising events for the Nottinghamshire and Lincolnshire Air Ambulance.

WHITEMEADOW INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Environmental Responsibilities

Our commitment to the environment and sustainably is at the heart of the future for Whitemeadow.

FSC- In 2020 we became one of the first upholstery manufacturers to achieve FSC accreditation. All the timber we use is sourced legally, ethically and sustainably, from plantations or Forestry commissions that replant and replace to ensure that species continue to thrive and provide a sustainable source of timber for generations to come. We do not purchase any materials that do not come with FSC (Forestry Stewardship Commission) accreditation.

Recycling- We recycle all forms of paper and card. All confidential waste is shredded and recycled, and all other paper waste goes directly to recycling plants across the UK, with zero to landfill. In partnership with Biffa, all our sites now divert over 94% of wastage away from landfills and 100% of our plastic packaging is recyclable. Our plastic packaging is made from 30% recycled plastic.

Energy- We have started a trial of HVO to fuel our fleet. HVO (hydro-treated vegetable oil) is a premium, high quality diesel fuel, made from renewable, sustainable, raw materials and can reduce our net CO2 greenhouse gas emissions by up to 90%.

75% of our factory lighting is energy efficient LED and our Biomass units are powered by recycled wood, providing 100% of the heating at our Orchard Way, Design, Export Drive and Stores sites.

Product innovation- Whitemeadow are early adopters of innovation and sustainability practices in the upholstery industry. We were the first in the sector to invest in sustainable components such as interiors made of recycled bottles and fabrics made from recycled yarns. We currently work with like-minded organisations such as Plastic Bank, which is a social enterprise that builds recycling ecosystems in under-developed communities in an effort to fight both plastic pollution in oceans, as well as high poverty levels in developing countries.

Securing the Future of Whitemeadow

We know our people are our biggest strength, and we're determined to improve the way we manage, develop, and lead. We are currently undergoing our 24-month review of our Investor in People accreditation, which will help us focus on the right areas and make positive changes for all those that choose to work at Whitemeadow.

We will continue to expand the number of ethical suppliers we work with to ensure our supply chains are as committed to positive change as we are, making a substantial effort to reduce harmful impact on the planet.

Our aim is to be recognised as a company known for its integrity and creativity, that paves the way for the future of upholstery making.

On behalf of the board

M Clarridge
Director

13 September 2021

WHITEMEADOW INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the group is the design, manufacture and sale of upholstered furniture.

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

P Ainley
M Clarridge
P Garnett
A Kitchen
D Oscroft
I Oscroft
P Wesson

(Resigned 31 May 2020)

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

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

Energy and carbon report

This is the first reporting year for Whitemeadow Investments Group, therefore previous years data has not been utilised to act in a comparison function. January 2020 - December 2020 will act as a baseline for future years reporting.

The below table demonstrates the energy consumed by Whitemeadow Investments Group during the financial year to December 2020.

	2020 kWh	2019 kWh
Energy consumption		
Aggregate of energy consumption in the year	7,600,225	-

WHITEMEADOW INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 metric tonnes	2019 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	143.36	-
- Fuel consumed for owned transport	938.14	-
	1,081.50	-
Scope 2 - indirect emissions		
- Electricity purchased	295.25	-
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	37.38	-
Total gross emissions	1,414.13	-
<i>Intensity ratio</i>		
Tonnes CO2e per m2	0.086	

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per m2 of property floor space, the recommended ratio for the sector.

WHITEMEADOW INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Measures taken to improve energy efficiency

It should be noted and is explained in further detail in this section that, due to the global Covid-19 pandemic, it is expected that consumption will be lower in this financial year, due to changes in operation and this should be considered in future years reporting.

As per government guidance, Whitemeadow shutdown all their sites as part of the 'National Lockdown' response to the Covid-19 pandemic, and moved to working from home where possible. As such, sites were not fully operational between the following dates. Consumption fell considerably across all sites between these periods, although there was still consumption from security lighting and idling machinery, which could not be shut-down.

Orchard Way – 23/03/2020 - 01/06/2020
Export Drive – 23/03/2020 - 26/05/2020
Export Drive Research and Development – 23/03/2020 - 26/05/2020
Export Drive Frames – 23/03/2020 - 26/05/2020
Sutton Road – 23/03/2020 - 26/05/2020
Prospect Close – 23/03/2020 - 01/06/2020
Fulwood Road – 23/03/2020 - 03/06/2020

Because of the above, it can be expected that consumption for the following years may be greater, assuming no further lockdowns and restrictions are put in place. This should be considered when reporting future consumption and emissions, and a decision be made on whether the base year needs to be re-set to provide a better representation of Whitemeadow's typical annual consumption.

Furthermore, Whitemeadow are in a period of restructuring, which will result in a number of unit closures, as well as additional units being taken on. Again, this should be taken into account in any future reporting, and consideration be made as to whether a new base year needs to be set. It should be noted that the Intensity Metric selected would still provide a reliable comparison over time.

In the period covered by the report, Whitemeadow has not undertaken any energy efficiency measures. Following on from the completion of the Energy Savings Opportunity Scheme (ESOS) reporting undertaken by Whitemeadow, a pipeline of improvement works has been assessed and the upgrading of existing in-efficient light fittings with LED equivalents across their sites is ongoing. It should be noted Covid-19 has affected works being completed to upgrade the lighting. Finally, Whitemeadow has recently invested significantly in years prior to this reporting period, most notably the installation of Biomass boilers to their Orchard Way and Export Drive sites between 2018 and 2019.

Statement of disclosure to auditor

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

On behalf of the board

M Clarridge
Director

13 September 2021

WHITEMEADOW INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

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

WHITEMEADOW INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHITEMEADOW INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Whitemeadow Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 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 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

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 and 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

WHITEMEADOW INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WHITEMEADOW INVESTMENTS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

WHITEMEADOW INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WHITEMEADOW INVESTMENTS LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and 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 indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Mr Mitesh Thakrar (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

13 September 2021

Chartered Accountants
Statutory Auditor

2 Regan Way
Chetwynd Business Park
Chilwell
Nottingham
NG9 6RZ

WHITEMEADOW INVESTMENTS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	47,488,206	52,826,112
Cost of sales		(33,624,841)	(37,031,524)
Gross profit		13,863,365	15,794,588
Administrative expenses		(15,444,331)	(13,646,726)
Other operating income/(expenses)		2,382,889	(27,376)
Operating profit	4	801,923	2,120,486
Interest receivable and similar income	8	66,808	34,659
Interest payable and similar expenses	9	(251,756)	(334,246)
Profit before taxation		616,975	1,820,899
Tax on profit	10	(511,658)	(711,385)
Profit for the financial year		105,317	1,109,514

Profit for the financial year is all attributable to the owners of the parent company.

WHITEMEADOW INVESTMENTS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Profit for the year	105,317	1,109,514
Other comprehensive income	-	-
Total comprehensive income for the year	<u>105,317</u>	<u>1,109,514</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

WHITEMEADOW INVESTMENTS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	11	3,437,324		5,334,125	
Tangible assets	12	4,496,480		5,067,122	
Investments	13	251,939		185,632	
			8,185,743		10,586,879
Current assets					
Stocks	16	2,722,236		2,703,822	
Debtors	17	12,062,060		11,911,876	
Cash at bank and in hand		193,982		641,456	
			14,978,278		15,257,154
Creditors: amounts falling due within one year	18	(16,550,417)		(18,075,848)	
Net current liabilities			(1,572,139)		(2,818,694)
Total assets less current liabilities			6,613,604		7,768,185
Creditors: amounts falling due after more than one year	19		(4,264,115)		(5,488,301)
Provisions for liabilities					
Deferred tax liability	21	65,080		100,792	
			(65,080)		(100,792)
Net assets			2,284,409		2,179,092
Capital and reserves					
Called up share capital	23	10,000		10,000	
Profit and loss reserves		2,274,409		2,169,092	
Total equity			2,284,409		2,179,092

The financial statements were approved by the board of directors and authorised for issue on 13 September 2021 and are signed on its behalf by:

M Clarridge
Director

WHITEMEADOW INVESTMENTS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	13	16,000,065		16,000,065	
Current assets					
Debtors	17	149,784		447,891	
Cash at bank and in hand		69,858		5,547	
		<u>219,642</u>		<u>453,438</u>	
Creditors: amounts falling due within one year	18	<u>(3,442,706)</u>		<u>(3,770,185)</u>	
Net current liabilities			<u>(3,223,064)</u>		<u>(3,316,747)</u>
Total assets less current liabilities			<u>12,777,001</u>		<u>12,683,318</u>
Creditors: amounts falling due after more than one year	19		<u>(4,013,994)</u>		<u>(5,294,504)</u>
Net assets			<u>8,763,007</u>		<u>7,388,814</u>
Capital and reserves					
Called up share capital	23		10,000		10,000
Profit and loss reserves			8,753,007		7,378,814
Total equity			<u>8,763,007</u>		<u>7,388,814</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,374,193 (2019 - £2,712,242 profit).

The financial statements were approved by the board of directors and authorised for issue on 13 September 2021 and are signed on its behalf by:

M Clarridge
Director

Company Registration No. 11003793

WHITEMEADOW INVESTMENTS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	10,000	1,059,578	1,069,578
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	1,109,514	1,109,514
Balance at 31 December 2019	10,000	2,169,092	2,179,092
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	105,317	105,317
Balance at 31 December 2020	10,000	2,274,409	2,284,409

WHITEMEADOW INVESTMENTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	10,000	4,666,572	4,676,572
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	2,712,242	2,712,242
Balance at 31 December 2019	10,000	7,378,814	7,388,814
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	1,374,193	1,374,193
Balance at 31 December 2020	10,000	8,753,007	8,763,007

WHITEMEADOW INVESTMENTS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	28	544,276		2,823,200	
Interest paid		(251,756)		(334,246)	
Income taxes paid		(688,284)		(928,733)	
Net cash (outflow)/inflow from operating activities		(395,764)		1,560,221	
Investing activities					
Purchase of tangible fixed assets		(139,039)		(990,869)	
Proceeds on disposal of tangible fixed assets		(1,847)		19,280	
Proceeds on disposal of joint ventures		(66,307)		(144,732)	
Interest received		501		1,305	
Other investment income received		66,307		33,354	
Net cash used in investing activities		(140,385)		(1,081,662)	
Financing activities					
Payment of finance leases obligations		88,675		(101,323)	
Net cash generated from/(used in) financing activities		88,675		(101,323)	
Net (decrease)/increase in cash and cash equivalents		(447,474)		377,236	
Cash and cash equivalents at beginning of year		641,456		264,220	
Cash and cash equivalents at end of year		193,982		641,456	

WHITEMEADOW INVESTMENTS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	29	(989,319)		(2,541,155)	
Interest paid		(185,370)		(242,660)	
Income taxes paid		(31,000)		(21,464)	
Net cash outflow from operating activities		(1,205,689)		(2,805,279)	
Investing activities					
Interest received		-		67	
Dividends received		1,270,000		2,770,000	
Net cash generated from investing activities			1,270,000		2,770,067
Net increase/(decrease) in cash and cash equivalents			64,311		(35,212)
Cash and cash equivalents at beginning of year			5,547		40,759
Cash and cash equivalents at end of year			69,858		5,547

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Whitemeadow Investments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Orchard Way, Calladine Business Park, Sutton in Ashfield, Nottinghamshire, NG17 1JU.

The group consists of Whitemeadow Investments Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

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

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

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to enable it to continue to meet its obligations as they fall due for a period of 12 months from the date of sign off of these financial statements.

The directors have considered current bank reserves and have prepared detailed profit and cashflow forecasts for a period of 12 months from the date of sign off of these financial statements.

In light of the director's assessment of the liquidity of the business they do not consider there to be any material uncertainty relating to going concern and have continued to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

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

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

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

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

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	15-40 years straight line
Plant and machinery	25% straight line
Fixtures and fittings	25% - 33% straight line
Motor vehicles	25% straight line

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

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

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

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

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.17 Leases

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

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

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

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The only government grants received in the year were in respect of furlough monies received under the Coronavirus Job Retention Scheme.

1.19 Foreign exchange

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

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Business Continuity

The directors have considered the impact of COVID-19 on the business which has occurred since the balance sheet date. They believe that the group will have sufficient cash and facilities available to it to trade during the period of restrictions imposed by the UK Government and until the industry returns to business as usual. The Directors will access government support as needed and believe that this government support as well as other commercial facilities will be readily available if and when required to enable the group to continue to trade as a going concern for at least 12 months from signing these accounts.

Key sources of estimation uncertainty

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

Dilapidation provision

Estimation is required in respect of amounts contractually payable to restore leasehold premises back to their original condition. The Director's have obtained professional advice in determining the best estimate of amounts which may become payable should the premises be exited at a future point in time.

Rebates

Significant customers benefit from various rebate schemes should arranged volume targets be met. The Director's are required to estimate the appropriate level of rebate accrual based on forecasted volumes and expected reclaim uptake.

Impairment of Investments

Investments are considered annually for impairment. Determining whether a fixed asset investment is impaired requires an estimation of the value in use of the cash generating investment, which requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to determine the present value of future cashflows. The carrying amount of fixed asset investments at the balance sheet date is not in excess of its value in use and as such has not been impaired.

Impairment of Goodwill

The carrying value of goodwill is considered annually for impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating investment, which requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to determine the present value of future cashflows. The carrying amount of goodwill at the balance sheet date is not in excess of its value in use and as such has not been impaired.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Sale of goods	47,488,206	52,826,112
	<u>47,488,206</u>	<u>52,826,112</u>
Other significant revenue		
Interest income	501	1,305
Governemnt grants in relation to the coronavirus Job Retention Scheme	2,346,739	-
	<u>2,346,739</u>	<u>1,305</u>
Turnover analysed by geographical market		
United Kingdom	44,957,539	50,500,430
Rest of European Union	2,530,667	2,325,682
	<u>47,488,206</u>	<u>52,826,112</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	36,244	(11,431)
Governemnt grants in relation to the coronavirus Job Retention Scheme	(2,346,739)	-
Depreciation of owned tangible fixed assets	592,007	443,672
Depreciation of tangible fixed assets held under finance leases	117,674	102,458
Loss/(profit) on disposal of tangible fixed assets	1,847	(4,537)
Amortisation of intangible assets	1,896,801	1,939,977
Operating lease charges	1,072,640	1,031,874
	<u>1,072,640</u>	<u>1,031,874</u>

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the parent and company's subsidiaries	23,700	23,000
	<u>23,700</u>	<u>23,000</u>
For other services		
Taxation compliance services	3,100	3,000
All other non-audit services	3,100	3,000
	<u>6,200</u>	<u>6,000</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	621,225	850,359
Company pension contributions to defined contribution schemes	95,753	104,462
	<u>716,978</u>	<u>954,821</u>

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

	2020	2019
	£	£
Remuneration for qualifying services	123,815	157,657
Company pension contributions to defined contribution schemes	20,000	-
	<u>143,815</u>	<u>157,657</u>

The number of directors whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2019- 6).

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Production	495	478	-	-
Selling & Administration	98	94	6	7
Total	593	572	6	7

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	15,471,957	14,448,667	-	-
Social security costs	1,133,241	1,052,773	-	-
Pension costs	401,187	359,920	-	-
	17,006,385	15,861,360	-	-

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	501	1,305
Income from fixed asset investments		
Income from participating interests - joint ventures	66,307	33,354
Total income	66,808	34,659

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	48,055	73,780
Other interest on financial liabilities	185,370	242,538
	<u>233,425</u>	<u>316,318</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	18,027	17,806
Other interest	304	122
	<u>18,331</u>	<u>17,928</u>
Total finance costs	<u>251,756</u>	<u>334,246</u>

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	597,992	722,181
Adjustments in respect of prior periods	(15,402)	(20,997)
	<u>582,590</u>	<u>701,184</u>
Deferred tax		
Origination and reversal of timing differences	(75,050)	18,179
Adjustment in respect of prior periods	4,118	(7,978)
	<u>(70,932)</u>	<u>10,201</u>
Total deferred tax	<u>(70,932)</u>	<u>10,201</u>
Total tax charge	<u>511,658</u>	<u>711,385</u>

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	616,975	1,820,899
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	117,225	345,971
Tax effect of expenses that are not deductible in determining taxable profit	103,939	84,803
Adjustments in respect of prior years	(11,283)	(14,130)
Effect of change in corporation tax rate	(1,137)	(3,760)
Profit on sale of fixed assets	-	(26)
Income from joint ventures	(12,598)	(6,337)
Amortisation adjustment	315,512	304,864
Taxation charge	511,658	711,385

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2020 and 31 December 2020	10,912,415
Amortisation and impairment	
At 1 January 2020	5,578,290
Amortisation charged for the year	1,896,801
At 31 December 2020	7,475,091
Carrying amount	
At 31 December 2020	3,437,324
At 31 December 2019	5,334,125

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	3,550,150	1,580,660	1,088,078	1,731,049	7,949,937
Additions	-	62,286	39,533	37,220	139,039
At 31 December 2020	3,550,150	1,642,946	1,127,611	1,768,269	8,088,976
Depreciation and impairment					
At 1 January 2020	465,607	995,071	632,953	789,184	2,882,815
Depreciation charged in the year	143,388	166,203	171,818	228,272	709,681
At 31 December 2020	608,995	1,161,274	804,771	1,017,456	3,592,496
Carrying amount					
At 31 December 2020	2,941,155	481,672	322,840	750,813	4,496,480
At 31 December 2019	3,084,543	585,589	455,125	941,865	5,067,122

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Plant and machinery	2,834	8,210	-	-
Motor vehicles	264,298	346,419	-	-
Computers	52,891	20,637	-	-
	320,023	375,266	-	-

At the 31st December 2020, HSBC UK Bank PLC held a fixed charge by way of a legal mortgage over all of the freehold and leasehold properties. The bank also held fixed and floating charges over all the assets of the company at this date.

At the 31st December 2020, the following entitled persons; Ian Oscroft, Paul Wesson, Garfield Peter Garnett and Andrew Kitchen held a fixed charge by way of a legal mortgage over all of the freehold and leasehold properties. The entitled persons also held fixed and floating charges over all the assets of the company at this date.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14	-	-	16,000,065	16,000,065
Investments in joint ventures	15	251,939	185,632	-	-
		<u>251,939</u>	<u>185,632</u>	<u>16,000,065</u>	<u>16,000,065</u>

Movements in fixed asset investments Group

	Shares in joint ventures £
Cost or valuation	
At 1 January 2020	185,632
Additions	66,307
	<u>251,939</u>
At 31 December 2020	
Carrying amount	
At 31 December 2020	251,939
	<u>185,632</u>
At 31 December 2019	

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2020 and 31 December 2020	16,000,065
	<u>16,000,065</u>
Carrying amount	
At 31 December 2020	16,000,065
	<u>16,000,065</u>
At 31 December 2019	

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect	
W M Frames Limited	United Kingdom	Ordinary	0	100.00
Whitemeadow Furniture Limited	United Kingdom	Ordinary	0	100.00
Whitemeadow Group Holdings Limited	United Kingdom	Ordinary	100.00	-

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Subsidiaries

(Continued)

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

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
W M Frames Limited	111,994	-
Whitemeadow Furniture Limited	3,622,019	1,524,238
Whitemeadow Group Holdings Limited	4,709,595	1,096,164

15 Joint ventures

Details of joint ventures at 31 December 2020 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
The Branded Furniture Company	United Kingdom	Ordinary	65.00

16 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	2,125,935	2,355,568	-	-
Work in progress	478,451	218,717	-	-
Finished goods and goods for resale	117,850	129,537	-	-
	<u>2,722,236</u>	<u>2,703,822</u>	<u>-</u>	<u>-</u>

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	11,121,274	11,109,464	-	-
Amounts owed by group undertakings	-	-	-	333,327
Amounts owed by undertakings in which the company has a participating interest	65,025	-	-	-
Other debtors	12,342	13,303	-	-
Prepayments and accrued income	713,635	674,545	-	-
	<u>11,912,276</u>	<u>11,797,312</u>	<u>-</u>	<u>333,327</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	<u>149,784</u>	<u>114,564</u>	<u>149,784</u>	<u>114,564</u>
Total debtors	<u>12,062,060</u>	<u>11,911,876</u>	<u>149,784</u>	<u>447,891</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Obligations under finance leases	20	212,666	180,315	-	-
Trade creditors		5,146,388	5,080,504	-	13
Amounts owed to group undertakings		-	-	-	98,261
Corporation tax payable		203,376	309,070	59,663	30,991
Other taxation and social security		1,511,234	1,493,068	31,142	60,255
Other creditors		5,827,321	9,522,955	2,562,443	2,887,911
Accruals and deferred income		3,649,432	1,489,936	789,458	692,754
		<u>16,550,417</u>	<u>18,075,848</u>	<u>3,442,706</u>	<u>3,770,185</u>

Amounts included in other creditors totalling £2,375,883 (2019 - £5,915,762) are secured against trade debtors in note 17.

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	20	250,121	193,797	-	-
Other creditors		4,013,994	5,294,504	4,013,994	5,294,504
		<u>4,264,115</u>	<u>5,488,301</u>	<u>4,013,994</u>	<u>5,294,504</u>

20 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	212,666	178,765	-	-
In two to five years	250,121	195,347	-	-
	<u>462,787</u>	<u>374,112</u>	<u>-</u>	<u>-</u>

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

21 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Group				
Accelerated capital allowances	65,080	100,792	149,784	114,564
	<u>65,080</u>	<u>100,792</u>	<u>149,784</u>	<u>114,564</u>
	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Company				
Accelerated capital allowances	-	-	149,784	114,564
	<u>-</u>	<u>-</u>	<u>149,784</u>	<u>114,564</u>

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Deferred taxation (Continued)

	Group 2020 £	Company 2020 £
Movements in the year:		
Asset at 1 January 2020	(13,772)	(114,564)
Credit to profit or loss	(70,932)	(35,220)
Asset at 31 December 2020	<u>(84,704)</u>	<u>(149,784)</u>

22 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>401,187</u>	<u>359,920</u>

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

23 Share capital

	Group and company 2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary of 10p each	<u>10,000</u>	<u>10,000</u>

24 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	611,420	510,747	-	-
Between two and five years	1,172,598	1,165,137	-	-
In over five years	-	96,250	-	-
	<u>1,784,018</u>	<u>1,772,134</u>	<u>-</u>	<u>-</u>

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	716,978	954,821

Transactions with related parties

Rental amounts were paid by the group to I R Oscroft's pension scheme. I R Oscroft is a director of Whitemeadow Investments Limited. The annual rent paid to I R Oscroft's pension scheme was £41,140 (2019 - £41,140).

26 Controlling party

In the opinion of the directors the controlling and ultimate controlling party is I R Oscroft.

27 Events after the reporting date

In May 2021 the Group entered into an agreement to purchase the freehold property at the North East Side of Carter Lane East, South Normanton.

28 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	105,317	1,109,514
Adjustments for:		
Taxation charged	511,658	711,385
Finance costs	251,756	334,246
Investment income	(66,808)	(34,659)
Loss/(gain) on disposal of tangible fixed assets	1,847	(4,537)
Amortisation and impairment of intangible assets	1,896,801	1,939,977
Depreciation and impairment of tangible fixed assets	709,681	546,130
Movements in working capital:		
Increase in stocks	(18,414)	(167,812)
Increase in debtors	(114,964)	(629,172)
Decrease in creditors	(2,732,598)	(981,872)
Cash generated from operations	544,276	2,823,200

WHITEMEADOW INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

29 Cash absorbed by operations - company

	2020 £	2019 £
Profit for the year after tax	1,374,193	2,712,242
Adjustments for:		
Taxation charged/(credited)	24,452	(22,300)
Finance costs	185,370	242,660
Investment income	(1,270,000)	(2,770,067)
Movements in working capital:		
Decrease/(increase) in debtors	333,327	(144,327)
Decrease in creditors	(1,636,661)	(2,559,363)
Cash absorbed by operations	(989,319)	(2,541,155)

30 Analysis of changes in net funds/(debt) - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	641,456	(447,474)	193,982
Obligations under finance leases	(374,112)	(88,675)	(462,787)
	<u>267,344</u>	<u>(536,149)</u>	<u>(268,805)</u>

31 Analysis of changes in net funds - company

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	5,547	64,311	69,858

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