

JACK SEALEY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 APRIL 2021

JACK SEALEY LIMITED

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JACK SEALEY LIMITED

COMPANY INFORMATION

Directors	J L Sealey P D Sealey M Sweetman T R Thompson S G Buckle R J Sealey D N Riches B J J Sealey G S Dolman
Company secretary	P D Sealey
Registered number	01329173
Registered office	820 The Crescent Colchester Business Park Colchester Essex CO4 9YQ
Independent auditor	Scrutton Bland LLP Chartered Accountants & Statutory Auditor Fitzroy House Crown Street Ipswich Suffolk IP1 3LG
Bankers	Barclays Bank PLC 35 Market Hill Sudbury Suffolk CO10 2EP
Solicitors	Gotelee Solicitors LLP 31-41 Elm Street Ipswich Suffolk IP1 2AY

JACK SEALEY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Principal activity

The Company's principal activity during the year continued to be the distribution of tools and machinery.

Business review

Turnover increased by 34.9% to £86,266,000 when compared to the previous year. Despite an initial decline in sales during the early part of the COVID-19 pandemic, the shift in consumer spending into our sector helped drive an overall increase in sales during the year.

Gross profit increased by 32.0% from £32,866,000 to £43,374,000 which was broadly in proportion to the increase in turnover detailed above. This increase is slightly lower in comparison to turnover, due to an upward pressure on raw material prices and freight costs.

Overall, the results for the year are in line with the directors' expectations. The continued strength of the Company's balance sheet is regarded as positive and has allowed the Company to maintain and improve its performance during the COVID-19 pandemic, as well as invest in its future.

Key decisions

During the year, the directors made some significant decisions in response to the global COVID-19 pandemic and the board met regularly to review its approach.

The immediate priority was to protect the workforce, so staff were encouraged to work from home where possible. The Company also introduced a range of safety precautions throughout the business in line with the UK Government's guidance and these were reviewed on a frequent basis.

From a financial perspective, greater focus was placed on reviewing future cash flow, credit control activities and maintaining relationships with customers and suppliers. This helped ensure financial security for the business as well as considering the positions of those in its supply chain and customer base.

Given the ongoing challenges associated with the UK's relationship with the EU, plus increased costs and lead times relating to the importation of goods into the UK, the directors of the Company have continued with a strategy of maintaining high stock levels. This strategy aims to minimise potential price increases for customers and help to ensure good stock availability. Stock levels remained high at £31,070,000 on 30 April 2021 but had reduced slightly from £34,163,000 on 30 April 2020.

During the year, the decision was made to dispose of most of its fleet of delivery vehicles, in favour of using third party distribution companies. The majority of relevant employees were provided with alternative roles within the business where possible, however some accepted voluntary redundancy packages.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

Future developments and subsequent events

The principal strategic objective of the Company continues to be sustainable organic growth of the existing business, through a policy of sourcing and developing new products to achieve and maintain a competitive advantage.

On 21 May 2021 the Company entered into a guarantee and indemnity with Investec Bank Plc. The Company has unconditionally guaranteed all existing and future liabilities owed by a company under common control to Investec Bank Plc.

Research and development

During the financial year, the Company continued to develop and integrate its Microsoft Dynamics AX ERP systems across the whole of the business.

Principal risks and uncertainties

Business risk:

The directors continually monitor the financial health and performance of the business by reviewing full monthly management accounts and key performance indicators. This includes monitoring of orders placed by customers, product stock levels, cash flow and levels of debtors and creditors.

Treasury and financial risk:

The Company operates an experienced treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Company's activities.

The Company utilises derivative financial instruments, the purposes of which are to manage currency and interest rate risks arising from the Company's trading activities. Derivative transactions principally comprise of forward exchange contracts. In accordance with the Company's treasury policy such contracts are not entered into for speculative purposes.

Bank overdrafts and other loans may also be used from time to time, the main purpose of which is to raise finance for the Company's operations. In addition, the Company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Price risk:

The Company carefully monitors all relevant raw material prices, including packaging as well as labour and shipping costs within its supply chain. This is essential as all these costs are under continuous upward pressure.

Liquidity risk:

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense. At the same time, the directors of the Company continually monitor liquidity to ensure that the Company has adequate liquid resources to meet the ongoing operating needs of the business.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

Principal risks and uncertainties (continued)

Interest rate risk:

From time to time, the Company may be exposed to interest rate risk on its variable rate loans. In such instances the Company uses fixed interest rate derivatives when considered necessary in order to mitigate its exposure to changes in interest rates.

Foreign currency risk:

The Company's principal foreign currency exposure arises from trading with overseas companies. The Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in GBP. The hedging activity involves the use of foreign exchange forward exchange contracts. At 30 April 2021 the company had 13 open forward contracts.

Credit risk:

All customers who wish to trade on credit terms are subject to strict credit verification procedures. All trade debtors are reviewed on a regular basis by senior management and directors, and provision is made for doubtful debts where necessary.

Brexit impact:

The impact of Brexit on the Company continues to be monitored closely. During the year, challenges presented themselves in respect of imports into the EU and customs delays for goods bound for the Republic of Ireland.

Towards the end of the financial year and thereafter this situation has improved, both due to external developments and the improved internal processes implemented by the Company.

Stock availability:

The key non-financial performance indicator for the business is the first pick rate. This is based on the stock of main line items which are available for immediate delivery to customers. During the year, an average of 99% (2020 – 99%) was achieved, which remains one of the highest achieved within this business sector.

Section 172(1) statement

The directors set out their section 172(1) statement in accordance with the Companies Act 2006 in relation to stakeholder engagement for the year ended 30 April 2021.

The board recognises the long-term success of the Company is strongly correlated to a positive interaction with all its stakeholders. Effective engagement allows the directors to understand relevant stakeholder views on material issues, which contributes to the board's decision-making. The directors aim to act fairly and with consideration to all stakeholders in order to maintain a longstanding reputation as a Company where people want to work and a Company with whom suppliers and customers wish to trade, whilst ensuring the Company maintains the highest ethical standards and support for its community.

This report identifies some of our key stakeholders and explains how the directors interact with them to promote the success of the Company for the stakeholders.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

Employees

Our employees are critical to the delivery of our strategy and the future growth of the business. The directors aim to empower and engage each colleague throughout the business, encouraging each to solve problems at their own level. The Company strives to develop its people so that we can promote from within and provide long-term and fulfilling careers for our employees.

The Company promotes an 'open' culture in which employees are encouraged to express their views on the Company's operations and future developments. Regular meetings are held between managers and employees to allow a free flow of information and ideas. All significant developments within the business are communicated to employees by the directors.

The Company has a long service award scheme, under which relevant employees are recognised and rewarded. During the year, employee turnover was 10.70% compared to 15.68% in the year to 30 April 2020.

Customers

The directors support the business by actively engaging with new and existing customers. We strive to develop enduring partnerships with our customers and drive continuous improvement and innovation into our operations. To achieve this, the directors take the time to understand the real and perceived needs of the Company's customers, which they do through maintaining close relations and engaging regularly with customers.

Suppliers

The directors ensure that the Company always engages with its suppliers in an ethical manner. We work closely with suppliers, because we rely on them to provide us with products and services which meet our stringent quality and performance requirements, which in turn allows us to fulfil our commitments to our customers. This engagement will be at an operational level on a day-to-day basis to ensure our expectations are met from a quality and delivery perspective and at director level in relation to more strategic discussions.

The Company has a culture of ensuring we pay suppliers in line with commercially agreed payment terms. This is something we have placed even greater emphasis on during the COVID-19 pandemic to ensure relationships with our suppliers endure and continue to grow.

Our community and the environment

The directors recognise that the business has an important role to play in its local community. The directors regularly meet with various community leaders and ensure that their views are considered.

An important focus for the business is to ensure that it functions as an environmentally friendly and resource sustaining Company. This both mitigates the environmental impact of the Company and supports the board's strategy to enhance the reputation of the Company.

During the year the Company has maintained a continued focus on moving to a paperless environment. A key example of this is the continued encouragement for customers to accept invoices in a digital format, the proportion of which has increased during the year.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

Energy and carbon footprint regulations

Note – In the accounts for the year ended 30 April 2020, data for the period 30 April 2019 was used. As more up to date data is now available, the comparative figures provided below have been updated to reflect the actual emissions values for the year ended 30 April 2020.

The annual quantity of emissions (tonnes) of carbon dioxide equivalent, resulting from activities for which the Company is responsible are as follows:

the combustion of gas – 0.0 tCO₂e/year (2020 - 0.0 tCO₂e/year)

the consumption of fuel for the purposes of transport – 132.8 tCO₂e/year (2020: 473.5 tCO₂e/year)

the purchase of electricity by the Company for its own use, including for the purposes of transport – 246.1 tCO₂e/year (2020: 256.4 tCO₂e/year)

The annual quantity of energy consumed from activities for which the Company is responsible was 1,943,743 kWh/year (2020: 3,329,006 kWh/year).

The above figures were calculated by a third-party business of energy & environmental consulting engineers.

The Company utilises the following key ratio to express total annual emissions in relation to total occupied floorspace of the business:

Total tonnes of carbon dioxide each year/total floor area = 0.01 tCO₂e/year per m² (2020: 0.02 tCO₂e/year per m².)

Equal opportunities

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by the individual.

Where existing employees become disabled, it is the Company's policy wherever practical to provide continuing employment under normal terms and conditions, as well as provide training, career development and promotion wherever appropriate.

Regulatory bodies

The Company aims to maintain the highest standards of conduct with each of the regulatory bodies it engages with. It does not adopt aggressive policies aimed to maximise short-term returns, instead the directors support a principled and moral approach to doing business. We have several policies in place including our zero tolerance to unethical matters such as bribery and corruption, along with maintaining transparent and fair policies with each of our stakeholders.

The Company's website details our compliance with the Modern Slavery legislation and provides information on our Gender Pay report.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

This report was approved by the board of directors on 12 August 2021 and signed on its behalf.

B J J Sealey
Director

JACK SEALEY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

The directors present their report and the financial statements for the year ended 30 April 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 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 of the profit or loss of the Company for that period.

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

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

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

Results and dividends

The profit for the year, after taxation, amounted to £6,614,000 (2020 - £4,764,000).

The directors do not recommend the payment of a dividend (2020 - £NIL).

Directors

The directors who served during the year and to the date of this report, unless stated otherwise, were:

J L Sealey
P D Sealey
M Sweetman
T R Thompson
S G Buckle
R J Sealey
D N Riches
B J J Sealey
G S Dolman (appointed 21 April 2021)
K Bradley (resigned 21 April 2021)

JACK SEALEY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

The directors' indemnity insurance is part of a standalone policy paid for by the Company. The policy was in force during the year and to the date of this report.

Matters covered in the strategic report

Details of the Company's future developments and subsequent events, research and development activities, policies in respect of disabled employees, employee involvement, financial risk management objectives and policies, use of financial instruments, the key risks to which it is exposed, energy usage and carbon emissions, and fostering relationships with employees, customers, suppliers and other stakeholders are included in the Strategic Report.

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'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's auditor is aware of that information.

This report was approved by the board of directors on 12 August 2021 and signed on its behalf.

B J J Sealey
Director

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED

Opinion

We have audited the financial statements of Jack Sealey Limited (the 'Company') for the year ended 30 April 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the 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 Company's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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.

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED (CONTINUED)

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.

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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussions and enquiries of directors and management. During the engagement team briefing, the outcomes of these discussions were shared with the team, as well as consideration as to where and how fraud may occur in the Company.

The following laws and regulations were identified as being of significance to the Company:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and UK Company Law.
- Those laws and regulations considered to have an indirect effect on the financial statements. These include ensuring that the company's products comply with the EU Machinery Directive and have the required CE marking.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED (CONTINUED)

Use of our report

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

Sharon Gravener (Senior Statutory Auditor)

for and on behalf of

Scrutton Bland LLP

Chartered Accountants

Statutory Auditor

Fitzroy House

Crown Street

Ipswich

Suffolk

IP1 3LG

4 October 2021

JACK SEALEY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £000
Turnover	4	86,266	63,937
Cost of sales		(42,892)	(31,071)
Gross profit		43,374	32,866
Distribution costs		(12,247)	(10,340)
Administrative expenses		(24,084)	(16,634)
Other operating income	5	1,403	255
Operating profit	6	8,446	6,147
Interest receivable and similar income	10	55	155
Interest payable and similar charges	11	(220)	(199)
Profit before tax		8,281	6,103
Tax on profit	12	(1,667)	(1,339)
Profit for the financial year		6,614	4,764

There was no other comprehensive income for 2021 (2020 - £NIL).

JACK SEALEY LIMITED
REGISTERED NUMBER:01329173

BALANCE SHEET
AS AT 30 APRIL 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	796	1,168
Tangible assets	14	19,097	20,140
		<u>19,893</u>	<u>21,308</u>
Current assets			
Stocks	15	31,070	34,163
Debtors: amounts falling due within one year	16	22,058	14,448
Cash at bank and in hand	17	39,488	20,211
		<u>92,616</u>	<u>68,822</u>
Creditors: amounts falling due within one year	18	(27,420)	(13,181)
		<u>65,196</u>	<u>55,641</u>
Net current assets		<u>65,196</u>	<u>55,641</u>
Total assets less current liabilities		<u>85,089</u>	<u>76,949</u>
Creditors: amounts falling due after more than one year	19	(1,500)	-
Provision for liabilities			
Deferred tax	22	(317)	(291)
		<u>(317)</u>	<u>(291)</u>
Net assets		<u>83,272</u>	<u>76,658</u>
Capital and reserves			
Called up share capital	28	510	510
Profit and loss account	29	82,762	76,148
		<u>83,272</u>	<u>76,658</u>
Shareholders' funds		<u>83,272</u>	<u>76,658</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 12 August 2021.

B J J Sealey
 Director

JACK SEALEY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2021

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 May 2019	510	71,384	71,894
Comprehensive income for the year			
Profit for the year	-	4,764	4,764
Total comprehensive income for the year	-	4,764	4,764
At 1 May 2020	510	76,148	76,658
Comprehensive income for the year			
Profit for the year	-	6,614	6,614
Total comprehensive income for the year	-	6,614	6,614
At 30 April 2021	<u>510</u>	<u>82,762</u>	<u>83,272</u>

JACK SEALEY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Profit for the financial year	6,614	4,764
Adjustments for:		
Amortisation of intangible assets	640	940
Depreciation of tangible assets	1,306	1,151
Loss on disposal of tangible assets	118	2
Interest payable and similar charges	220	199
Interest receivable and similar income	(55)	(155)
Taxation charge	1,667	1,339
Decrease/(increase) in stocks	3,093	(4,899)
(Increase)/decrease in debtors	(7,610)	2,876
Increase in creditors	13,493	5,064
Fair value movement of foreign currency forward contracts	647	-
Corporation tax (paid)	(1,111)	(1,255)
Net cash generated from operating activities	19,022	10,026
Cash flows from investing activities		
Purchase of intangible fixed assets	(267)	(581)
Purchase of tangible fixed assets	(656)	(2,283)
Proceeds from the sale of tangible fixed assets	275	93
Interest received	55	155
Net cash used in investing activities	(593)	(2,616)

JACK SEALEY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

	2021 £000	2020 £000
Cash flows from financing activities		
Other new loans	4,000	1,000
Repayment of other loans	(3,000)	(2,000)
Interest paid	(152)	(199)
Net cash generated from/(used in) financing activities	<u>848</u>	<u>(1,199)</u>
Net increase in cash and cash equivalents	19,277	6,211
Cash and cash equivalents at beginning of year	20,211	14,000
Cash and cash equivalents at the end of year	<u><u>39,488</u></u>	<u><u>20,211</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>39,488</u></u>	<u><u>20,211</u></u>

JACK SEALEY LIMITED

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 30 APRIL 2021

	At 1 May 2020 £000	Cash flows £000	At 30 April 2021 £000
Cash at bank and in hand	20,211	19,277	39,488
Debt due after 1 year	-	(1,500)	(1,500)
Debt due within 1 year	(1,000)	500	(500)
	<u>19,211</u>	<u>18,277</u>	<u>37,488</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. General information

Jack Sealey Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales. The address of the registered office is 820 The Crescent, Colchester Business Park, Colchester, Essex CO4 9YQ. The principal place of business is Kempson Way, Suffolk Business Park, Bury St Edmunds, IP32 7AR.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered a period of at least one year from the date these financial statements were approved and authorised in assessing the going concern basis of preparation of the Company's financial statements. They have reviewed forecasts and considered the wider business environment. They believe that the Company will have sufficient cash available to continue to trade and to settle its liabilities and other obligations as they fall due for the foreseeable future. On this basis, the directors believe the going concern basis of preparation to be appropriate.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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 five years.

Capitalised development expenditure relates to expenses incurred in the development of a software system for internal use. The amortisation period in respect of the capitalised development expenditure is on a straight line basis over 4 years.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or reducing balance method. The estimated useful lives range as follows:

Freehold property - 4% per annum on cost

Motor vehicles - 25% per annum on reducing balance

Fixtures, fittings and equipment - 20 - 25% per annum on cost

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 either selling and distribution expenses or administrative expenses.

2.6 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.

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 the Statement of Comprehensive Income.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Company in independently administered funds.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

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 Statement of Comprehensive Income 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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Statement of Comprehensive Income within 'cost of sales'.

2.10 Financial instruments

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 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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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.

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 the Statement of Comprehensive Income in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 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.

2.12 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.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provision for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Statement of Comprehensive Income in the year that the Company 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.

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.18 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.19 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

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

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items where these judgements and estimates have been made include:

The provision for stock is calculated as the value of the year end stock for which there have been no purchases within the last 12 months, and which is not expected to be sold within the next 24 months based on the level held at the year end and the sales within the last 12 months.

The amortisation period for development expenditure in respect of software is estimated to be over a straight line basis of 4 years. This is in accordance with FRS 102 section 18.2 which states that the life of an intangible asset should not exceed 10 years.

The fair value of the foreign currency forward contracts has been taken as the mark-to-market values calculated by the provider using data sourced from an independent financial market data provider using mid-market end-of-day data as of the close of business on 30 April 2021.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	79,924	57,453
Rest of Europe	4,610	4,689
Rest of the World	1,732	1,795
	<u>86,266</u>	<u>63,937</u>

5. Other operating income

	2021 £000	2020 £000
Government grants receivable	641	226
Sundry income	72	7
Management charges receivable	690	22
	<u>1,403</u>	<u>255</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Net foreign exchange losses	5	940
Fair value movement of foreign currency forward contracts	647	-
Other operating lease rentals	131	371
Loss on disposal of tangible fixed assets	<u>118</u>	<u>2</u>

7. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>22</u>	<u>22</u>
Other services relating to taxation	10	10
Other services relating to accountancy	<u>2</u>	<u>2</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

8. Employees

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

	2021 £000	2020 £000
Wages and salaries	22,959	15,621
Social security costs	2,381	1,647
Cost of defined contribution pension scheme	780	705
	<u>26,120</u>	<u>17,973</u>

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

	2021 No.	2020 No.
Office and management	192	185
Sales staff	218	204
	<u>410</u>	<u>389</u>

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	11,631	6,281
Company contributions to defined contribution pension schemes	53	60
	<u>11,684</u>	<u>6,341</u>

During the year retirement benefits were accruing to 4 directors (2020 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £4,924,000 (2020 - £2,539,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

10. Interest receivable and similar income

	2021 £000	2020 £000
Bank interest receivable	<u>55</u>	<u>155</u>

11. Interest payable and similar charges

	2021 £000	2020 £000
Other loan interest payable	<u>220</u>	<u>199</u>

12. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	1,836	1,158
Adjustments in respect of previous years	(195)	-
	<u>1,641</u>	<u>1,158</u>
Deferred tax		
Origination and reversal of timing differences	26	181
	<u>1,667</u>	<u>1,339</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£000	£000
Profit on ordinary activities before tax	<u>8,281</u>	<u>6,103</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,573	1,160
Effects of:		
Expenses not deductible for tax purposes	94	124
Changes in future tax rate at which deferred tax has been recognised	-	55
Total tax charge for the year	<u>1,667</u>	<u>1,339</u>

Factors that may affect future tax charges

It was announced in the March 2021 budget that the main rate of corporation tax will increase from 19% to 25% for financial years from 2023.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

13. Intangible assets

	Patents	Software Develop-ment	Total
	£000	£000	£000
Cost			
At 1 May 2020	59	7,154	7,213
Additions	-	267	267
At 30 April 2021	<u>59</u>	<u>7,421</u>	<u>7,480</u>
Amortisation			
At 1 May 2020	34	6,010	6,044
Charge for the year	6	634	640
At 30 April 2021	<u>40</u>	<u>6,644</u>	<u>6,684</u>
Net book value			
At 30 April 2021	<u>19</u>	<u>777</u>	<u>796</u>
At 30 April 2020	<u>25</u>	<u>1,143</u>	<u>1,168</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

14. Tangible fixed assets

	Freehold property and land £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation				
At 1 May 2020	27,807	1,098	4,683	33,588
Additions	56	56	544	656
Disposals	(139)	(593)	-	(732)
At 30 April 2021	<u>27,724</u>	<u>561</u>	<u>5,227</u>	<u>33,512</u>
Depreciation				
At 1 May 2020	9,504	560	3,384	13,448
Charge for the year	805	96	405	1,306
Disposals	(6)	(333)	-	(339)
At 30 April 2021	<u>10,303</u>	<u>323</u>	<u>3,789</u>	<u>14,415</u>
Net book value				
At 30 April 2021	<u>17,421</u>	<u>238</u>	<u>1,438</u>	<u>19,097</u>
At 30 April 2020	<u>18,303</u>	<u>538</u>	<u>1,299</u>	<u>20,140</u>

The net book value of land which is not depreciated is £7,609,000 (2020 - £7,609,000).

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

15. Stocks

	2021 £000	2020 £000
Finished goods	25,599	31,036
Goods in transit	5,471	3,127
	<u>31,070</u>	<u>34,163</u>

The carrying value of stocks are stated net of impairment losses totalling £2,496,000 (2020 - £2,516,000). Impairment losses totalling £20,000 reversal (2020 - £349,000) were recognised in the Statement of Comprehensive Income.

16. Debtors

	2021 £000	2020 £000
Trade debtors	20,862	12,897
Other debtors	127	406
Prepayments and accrued income	1,069	1,145
	<u>22,058</u>	<u>14,448</u>

17. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	<u>39,488</u>	<u>20,211</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

18. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Other loans (see note 27)	500	1,000
Trade creditors	5,879	3,435
Corporation tax payable	997	467
Other taxation and social security	4,543	1,169
Other creditors	-	1
Accruals and deferred income	14,854	7,109
Fair value of foreign currency forward contracts	647	-
	<u>27,420</u>	<u>13,181</u>

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

	2021	2020
	£000	£000
Other loans (see note 27)	<u>1,500</u>	<u>-</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

20. Loans

Analysis of the maturity of loans is given below:

	2021 £000	2020 £000
Amounts falling due within one year		
Other loans	500	1,000
	<u>500</u>	<u>1,000</u>
Amounts falling due 1-2 years		
Other loans	500	-
	<u>500</u>	<u>-</u>
Amounts falling due 2-5 years		
Other loans	1,000	-
	<u>1,000</u>	<u>-</u>
	<u>2,000</u>	<u>1,000</u>

21. Financial instruments

	2021 £000	2020 £000
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss	<u>(647)</u>	<u>-</u>

Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio comprise foreign currency forward contracts.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

22. Deferred taxation

	2021 £000	2020 £000
At beginning of year	(291)	(110)
Charged to the Statement of Comprehensive Income	(26)	(181)
At end of year	(317)	(291)

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(358)	(332)
Other temporary differences	41	41
	(317)	(291)

23. Contingent liabilities

Barclays Bank PLC has provided the Company with a guarantee of £110,000 (2020 - £110,000) in respect of deferred customs duties. This is secured by fixed and floating charges over the Company's assets.

24. Pension commitment

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £780,000 (2020 - £705,000). Contributions totalling £49,000 (2020 - £67,000) were payable to the fund at the balance sheet date and included within accruals.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

25. Commitments under operating leases

At 30 April 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	391	361
Later than 1 year and not later than 5 years	397	661
	<u>788</u>	<u>1,022</u>

26. Other financial commitments

At 30 April 2021 the Company had foreign currency forward contracts to buy 34,953,000 US dollars at exchange rates against GB pounds of between 1.3000 and 1.4010 US dollars, in tranches until 30 June 2022.

27. Related party transactions

During the year a director and shareholder of the ultimate parent company made an unsecured loan to the Company of £4,000,000 (2020 - £1,000,000). The maximum amount outstanding during the year was £4,667,000 (2020 - £2,333,000). At the year end £2,000,000 (2020 - £667,000) was still outstanding. Interest of £200,000 (2020 - £154,000) was payable in the year. At the year end interest of £68,000 (2020 - £NIL) was still outstanding and included within accruals.

During the year close family members of directors made unsecured loans to the Company totalling £NIL (2020 - £NIL). The maximum amount outstanding during the year was £333,000 (2020 - £667,000). At the year end £NIL (2020 - £333,000) was still outstanding. Interest of £20,000 (2020 - £45,000) was payable in the year. At the year end interest of £NIL (2020 - £NIL) was still outstanding and included within accruals.

During the year the Company paid wages to close family members of the directors of £155,000 (2020 - £163,000).

During the year the Company made sales to a company under common control of £3,176,000. During the year the Company received a management charge from a company under common control of £690,000. At the year end the Company was owed an amount of £2,656,000 from a company under common control.

There was no other key management personnel during the year other than the directors (2020 - £NIL).

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

28. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
510,000 (2020 - 510,000) Ordinary shares of £1.00 each	<u>510</u>	<u>510</u>

29. Reserves

Profit and loss account

The profit and loss account represents the Company's accumulated profits less dividends paid which are available for distribution to shareholders.

30. Post balance sheet events

On 21 May 2021 the Company entered into a guarantee and indemnity with Investec Bank Plc. The Company has unconditionally guaranteed all existing and future liabilities owed by a company under common control to Investec Bank Plc.

31. Controlling party

The immediate and ultimate parent company is Sealey (UK) Limited.

J L Sealey, a director, has ultimate control of the Company, by virtue of his majority shareholding in Sealey (UK) Limited.

The largest and smallest group for which the Company's results are included is headed by Sealey (UK) Limited. Copies of the consolidated financial statements of Sealey (UK) Limited are publicly available from Companies House, Crown Way, Cardiff CF14 3UZ.

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.