

Company Registration No. 06327804 (England and Wales)

**CENNOX GROUP LIMITED (FORMERLY CENNOX  
PLC)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019**



# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## COMPANY INFORMATION

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<b>Directors</b>	N Cockett R D Dodd C M Nation
<b>Secretary</b>	R D Dodd
<b>Company number</b>	06327804
<b>Registered office</b>	Units 11-12 Admiralty Way Camberley Surrey GU15 3DT
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN

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# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present the strategic report for the year ended 31 December 2019.

#### **Fair review of the business**

Cennox Group Limited is the holding company for the group's UK and overseas operations. Cennox Group Limited is a subsidiary of Cennox Holdings Limited.

Cennox Group Limited continued to support the wider Cennox Group which saw considerable growth in 2019. The results of the company for the year ended 31 December 2019 are shown on page 6, where the company has reported a profit for the financial year of £19,876 (2018: £4,632,701). The net assets of the company at the end of the year were £841,960 (2018: £822,084).

#### **Principal risks and uncertainties**

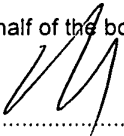
The directors acknowledge their responsibility for the company's systems of internal controls and risk management. The systems are designed to control and mitigate risks and uncertainty, although it is never possible to eliminate all risks.

Risks to the business that have been identified and mitigated against include: IT failure, poor service delivery, inadequate staff selection, significant market changes, customer losses and weak financial controls.

#### **Key performance indicators**

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for a full understanding of the performance or position of the company.

On behalf of the board



.....  
R D Dodd  
**Director**

Date: ..... 10/12/2020 .....

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present their annual report and financial statements for the year ended 31 December 2019.

### Principal activities

The principal activity of the company continues to be that of a holding company for the group's UK and overseas operations.

On 24 December 2019 the company changed its name from Cennox Plc to Cennox Group Plc. Subsequent to the year end, on 11 March 2020 the company changed its name from Cennox Group Plc to Cennox Group Limited.

### Directors

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

N Cockett  
R D Dodd  
C M Nation

### Results and dividends

The results for the year are set out on page 6.

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

### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### Strategic report

The company has chosen to set out information regarding the fair review of the business, key performance indicators, principal risks and uncertainties, financial risk management objectives and policies and future developments of the company in the strategic report.

### 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 company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
.....  
R D Dodd  
Director

Date: ..... 10/12/2020 .....

# **CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)**

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### **Opinion**

We have audited the financial statements of Cennox Group Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENNOX GROUP LIMITED (FORMERLY CENNOX PLC) (CONTINUED)

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### 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 and the directors' report.

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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

*RSM UK Audit LLP*

Christopher Hurren FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
One London Square  
Cross Lanes  
Guildford  
Surrey, GU1 1UN

*16 DECEMBER 2020*

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

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	Notes	2019 £	2018 £
Turnover	3	2,940,573	2,551,102
Administrative expenses		(2,463,387)	(4,295,547)
Exceptional item		(367,297)	(443,998)
<b>Operating profit/(loss)</b>	4	109,889	(2,188,443)
Interest receivable and similar income	5	-	6,850,000
Interest payable and similar expenses	6	(32,196)	(29,442)
<b>Profit before taxation</b>		77,693	4,632,115
Tax on profit	9	(57,817)	586
<b>Profit for the financial year</b>		19,876	4,632,701

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**CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Investments	10	10,979,096		10,914,304	
<b>Current assets</b>					
Debtors	12	12,501,203		11,096,935	
Cash at bank and in hand		411,177		828	
		<u>12,912,380</u>		<u>11,097,763</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(22,388,276)</u>		<u>(21,189,983)</u>	
<b>Net current liabilities</b>			<u>(9,475,896)</u>		<u>(10,092,220)</u>
<b>Total assets less current liabilities</b>			<u>1,503,200</u>		<u>822,084</u>
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(661,240)</u>		<u>-</u>
<b>Net assets</b>			<u><u>841,960</u></u>		<u><u>822,084</u></u>
<b>Capital and reserves</b>					
Called up share capital	16	100,000		100,000	
Profit and loss reserves		741,960		722,084	
<b>Total equity</b>			<u><u>841,960</u></u>		<u><u>822,084</u></u>

The financial statements were approved by the board of directors and authorised for issue on 10/12/2020 and are signed on its behalf by:

  
.....  
R D Dodd  
Director

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

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

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2018</b>		100,000	(410,617)	(310,617)
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year		-	4,632,701	4,632,701
Dividends		-	(3,500,000)	(3,500,000)
<b>Balance at 31 December 2018</b>		100,000	722,084	822,084
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	19,876	19,876
<b>Balance at 31 December 2019</b>		100,000	741,960	841,960

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# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Cennox Group Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Units 11-12, Admiralty Way, Camberley, Surrey, GU15 3DT.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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" and the requirements of the Companies Act 2006.

With effect from 1 January 2019 the company has adopted the amendments to FRS 102 published in the Triennial Review 2017. There are no adjustments to the current or comparative period in relation to this amendment.

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.

#### Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cennox Holdings Limited. These consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### Consolidation

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (Continued)

##### **Going concern**

In light of the COVID-19 outbreak, the directors and senior management team are considering appropriate measures to respond to the uncertain outlook and ensure that the company remains a going concern over the next 12 months. The company has both long term recurring revenue streams that are expected to be largely unaffected during this period and project type activities that will be negatively impacted during periods of lockdown type restrictions. During H1 2020 the company launched a number of products and services specifically designed to help our customers protect their staff and customers during the COVID-19 period, including hygienic cleaning services and patented UV-C light cleansing products.

Where the business is impacted the company will take advantage of local government support schemes including temporary employment support and tax deferrals. Following a decrease in business activity from March 2020, the directors anticipate that business volumes will trend back to more normal levels over H2 2020 and into 2021.

The directors have prepared detailed revised forecasts, and these are regularly updated. Based on these forecasts and action plans the directors consider it is appropriate for the financial statements to be prepared on the going concern basis.

##### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax for goods sold and services provided to external customers.

##### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Financial instruments**

The company 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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (Continued)

##### ***Other financial assets***

Other financial assets, including trade investments, 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.

##### ***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 company 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 company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other 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.

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

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (Continued)

##### ***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 where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, 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.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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 company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (Continued)

##### 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.

##### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

There are no critical accounting estimates or judgements used in the preparation of these financial statements.

#### 3 Turnover and other revenue

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Management of group companies	2,940,573	2,551,102
	<u>                    </u>	<u>                    </u>

The total turnover of the company for the period has been derived from its principal activity undertaken in the United Kingdom.

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>4</b>	<b>Operating profit/(loss)</b>	<b>2019</b>	<b>2018</b>
	Operating profit/(loss) for the year is stated after charging/(crediting):	£	£
	Exchange losses/(gains)	198,996	(309,219)
	Fees payable to the company's auditor for the audit of the company's financial statements	6,125	8,000
	Operating lease charges	30,000	-
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest receivable and similar income</b>	<b>2019</b>	<b>2018</b>
		£	£
	<b>Income from fixed asset investments</b>		
	Dividend income from shares in group undertakings	-	6,850,000
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Interest payable and similar expenses</b>	<b>2019</b>	<b>2018</b>
		£	£
	Interest on bank overdrafts and loans	32,196	29,442
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Employees</b>		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		<b>2019</b>	<b>2018</b>
		<b>Number</b>	<b>Number</b>
	Directors	2	2
	Other	2	2
		<u>          </u>	<u>          </u>
		4	4
		<u>          </u>	<u>          </u>
	Their aggregate remuneration comprised:		
		<b>2019</b>	<b>2018</b>
		£	£
	Wages and salaries	709,239	669,333
	Social security costs	81,912	88,538
	Pension costs	28,762	28,687
		<u>          </u>	<u>          </u>
		819,913	786,558
		<u>          </u>	<u>          </u>

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	492,589	462,008
Company pension contributions to defined contribution schemes	28,551	28,687
	<u>521,140</u>	<u>490,695</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

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

	2019	2018
	£	£
Remuneration for qualifying services	272,011	253,019
Company pension contributions to defined contribution schemes	15,636	17,711
	<u>287,647</u>	<u>270,730</u>

### 9 Taxation

	2019	2018
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	58,067	-
	<u>58,067</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(279)	(655)
Changes in tax rates	29	69
	<u>(250)</u>	<u>(586)</u>
Total deferred tax	<u>(250)</u>	<u>(586)</u>
Total tax charge/(credit)	<u>57,817</u>	<u>(586)</u>

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 9 Taxation (Continued)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	77,693	4,632,115
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	14,762	880,102
Tax effect of expenses that are not deductible in determining taxable profit	43,026	137,616
Group relief	-	283,127
Exempt distributions	-	(1,301,500)
Impact of change in tax rate	29	69
Taxation charge/(credit) for the year	57,817	(586)

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 10 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	11	10,979,096	10,914,304

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2019	10,914,304
Additions	64,792
At 31 December 2019	10,979,096
<b>Carrying amount</b>	
At 31 December 2019	10,979,096
At 31 December 2018	10,914,304

On 4 October 2019 the company purchased the entire share capital of Cennox Lockpoint Limited (formally known as Cedardell Limited) and its dormant subsidiary Lockpoint Limited.

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cennox ATM Parts Limited	United Kingdom	Technical equipment supply	Ordinary	100.00	-
Cennox Limited	United Kingdom	Technical maintenance services	Ordinary	100.00	-
Cennox Signage and Construction Limited	United Kingdom	Signage, design and deployment	Ordinary	100.00	-
Technical Refurbishment Limited	United Kingdom	Dormant	Ordinary	-	100.00
Bradford Signs Limited	United Kingdom	Dormant	Ordinary	-	100.00
Excalibur Designs Limited	United Kingdom	Dormant	Ordinary	-	100.00
Signmaking Developments Ltd	United Kingdom	Dormant	Ordinary	-	100.00
Cennox LLC	United States *	Holding company	Ordinary	100.00	-
Sterling Group Properties Inc.	United States *	Property management	Ordinary	-	100.00
Cennox Inc.	United States *	Technical maintenance services	Ordinary	-	100.00
Cennox Diebold Limited	United Kingdom	Supply and maintenance of banking equipment	Ordinary	100.00	-
Cennox Acketts Limited	United Kingdom	Technical equipment installation	Ordinary	100.00	-
Cennox Complete Security Services Inc	United States *	Technical equipment services	Ordinary	-	100.00
Cennox Project and Security Solutions Inc	United States *	Technical equipment services	Ordinary	-	100.00
3SI Security Systems NV	Belgium **	Development, supply and maintenance of security products	Ordinary	100.00	-
3SI Security Systems SAS	France ***	Development, supply and maintenance of security products	Ordinary	-	100.00
Cennox Lockpoint Limited	United Kingdom	Design, supply and servicing of security products	Ordinary	100.00	-
Lockpoint Limited	United Kingdom	Dormant	Ordinary	-	100.00

The registered offices of subsidiaries outside of the UK are as follows:

\* 3010, Santa Fe Ct, Missoula, Montana 59808, United States

\*\* Leuvensesteenweg 540, PO Box 4, 1930 Zaventem, Brussels, Belgium

\*\*\* Tour Credit Lyonnais, 129 Rue Servient, Lyon, 69003, France

The dormant company accounts are not audited.

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Debtors

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	-	45,044
Amounts owed by group undertakings	11,050,516	10,721,181
Other debtors	137,740	293,366
Prepayments and accrued income	37,111	36,758
	<u>11,225,367</u>	<u>11,096,349</u>
Deferred tax asset (note 15)	836	586
	<u>11,226,203</u>	<u>11,096,935</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	1,275,000	-
	<u>1,275,000</u>	<u>-</u>
<b>Total debtors</b>	<u>12,501,203</u>	<u>11,096,935</u>

### 13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	118,504	29,809
Amounts owed to group undertakings	21,905,856	20,954,840
Corporation tax	58,067	-
Other taxation and social security	-	32,116
Other creditors	299,158	150,000
Accruals and deferred income	6,691	23,218
	<u>22,388,276</u>	<u>21,189,983</u>

### 14 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	370,607	-
Accruals and deferred income	290,633	-
	<u>661,240</u>	<u>-</u>

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	<b>Assets 2019 £</b>	<b>Assets 2018 £</b>
<b>Balances:</b>		
Accelerated capital allowances	836	586
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		<b>2019 £</b>
Liability/(Asset) at 1 January 2019		(586)
Credit to profit or loss		(250)
		<u>          </u>
Liability/(Asset) at 31 December 2019		(836)
		<u>          </u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

### 16 Share capital

	<b>2019 £</b>	<b>2018 £</b>
<b>Ordinary share capital Issued and fully paid</b>		
100,000 Ordinary of £1 each	100,000	100,000
	<u>          </u>	<u>          </u>

#### *Ordinary share rights*

The company's ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the Company.

#### **Reserves**

Reserves of the Company represent the following:

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.

### 17 Retirement benefit schemes

	<b>2019 £</b>	<b>2018 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	28,762	28,687
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# CENNOX GROUP LIMITED (FORMERLY CENNOX PLC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 18 Financial commitments, guarantees and contingent liabilities

The company has entered into a cross guarantee and debenture across the company's assets in respect of the indebtedness of both itself and its parent company. The Company has entered into this cross guarantee and debenture with Cennox Holdings Limited, Cennox Diebold Limited, Cennox Limited, Cennox ATM Parts Limited, Cennox Signage and Construction Limited, Technical Refurbishment Limited, Cennox LLC, Sterling Group Inc., Cennox Inc., Sterling Group Properties Inc. and Cennox Project and Security Solutions Inc. At 31 December 2019 the total amount outstanding subject to the guarantees was £16,400,000 (2018: £18,000,000).

#### 19 Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

#### 20 Ultimate controlling party

The company's ultimate parent company and controlling party is Cennox Holdings Limited, a company registered in England and Wales. Cennox Holdings Limited is the largest and smallest group in which the results of the Company are consolidated, copies of these financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.