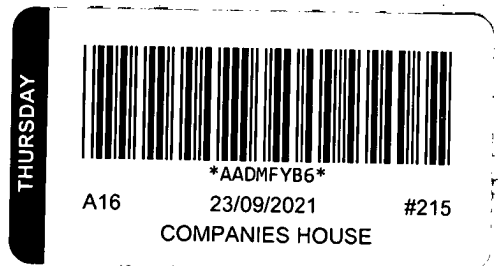


Company Registration No. 02323015 (England and Wales)

PETERS & MAY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



PETERS & MAY LIMITED

COMPANY INFORMATION

Directors Mr S Judson
Mr M Wood (Appointed 21 February 2020)
Mr T Derbyshire (Appointed 1 November 2020)

Secretary Mr M Jenner

Company number 02323015

Registered office Unit 9 Goodwood Road
Boyatt Wood
Eastleigh
Southampton
Hampshire
SO50 4NT

Auditor Moore (South) LLP
Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

PETERS & MAY LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 29

PETERS & MAY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities and business review

The principal activities of the company are freight forwarding and related services.

Peters & May Limited ('Peters & May') is a freight forwarder with a leading position in the UK in the forwarding of yachts.

The results for the company show a pre-tax profit of £441,127 (2019 - £327,152) and turnover of £33,260,483 (2019 - £49,534,789).

Further improvements in operating efficiencies have been achieved in the year as a result of the continued investment in operational equipment and facilities as well as enhancements in business processes and systems. As seen during the year, this has made the company significantly more resilient and agile to market changes and challenges.

During the year the company's main focus continued to be on maximising the potential from existing and new revenue streams and on growing the company's global business network.

Principal risks and uncertainties

The Board sets the long-term strategy and goals. The management of the business and execution of the company's strategy are subject to a number of risks. The key risk for this business has been assessed to be the reduced global demand for the company's logistics services.

COVID-19 has impacted the company materially, but it has continued to trade satisfactorily through the lockdown period. The impact on costs have been mitigated by the government furlough scheme and the company re-structured its operations mid-way through the year. With these measures and a healthy cash balance at the start of the year, the company is well placed to trade through the emergency.

Business model

The company is part of a group providing worldwide boat transport services to many of the premier race teams, super-yachts and manufacturers, as well as many private boat owners, moving approximately 4,000 boats each year. With over 25 years' experience, a global network of offices, dedicated loadmasters and in-house VAT and customs experts, the company is best placed to provide value added services to its wide range of global customers.

Key performance indicators

The company undertakes comprehensive business planning to define long and short-term objectives and goals. Business performance is measured by a number of financial and non-financial Key Performance Indicators (KPIs) which include monitoring of actual results against budget by the Board on a monthly basis.

The financial KPIs are:

	2020	2019
Turnover (£000)	33,260	49,535
Gross margin (%)	14.2	10.6
Net assets (£000)	1,718	1,414

Future developments

The outlook for the company continues to be very positive. During the year the company has made further improvements in additional operational equipment and facilities to support existing and planned business growth. The company is now well placed to further develop into anticipated expanding and emerging markets. Having already established a strong network of global offices the company is well placed to leverage its market position, experience, reputation and facilities to support its future growth.

PETERS & MAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

Tom Derbyshire

Mr T Derbyshire
Director

Date: 13/09/2021

PETERS & MAY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Directors

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

Mr D J Holley	(Resigned 3 July 2020)
Mr P R Tate	(Resigned 22 March 2020)
Mr S Judson	
Mr M Wood	(Appointed 21 February 2020)
Mr T Derbyshire	(Appointed 1 November 2020)

Results and dividends

The results for the year are set out on page 10.

A dividend of £nil was paid during the year (2019 - £nil).

Directors' insurance

Certain directors benefitted from Directors and Officers Liability insurance in place during the financial year.

Political and charitable contributions

The company made charitable donations of £Nil during the year (2019 - £18,675). No political donations were made and no political expenditure was incurred during the current or previous year.

Financial instruments

The company's financial instruments comprise borrowings (principally group finance), cash, share capital, and various items that arise directly from operations (such as trade debtors, trade creditors, etc). The main purpose of these financial instruments is to raise finance for the company's operations and to manage interest rate risk.

The main risk arising from the company's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and they are summarised below. These policies have remained unchanged throughout the year.

Liquidity risk

As regards liquidity, throughout the year the company's policy has been to maintain a mix of short and medium term facilities.

At 31 December 2020 the company had cash at bank and in hand of £688,419 (2019 - £1,229,461). The continued profitability of the business has enabled further investment in operational fixed assets during the year and also maintain an acceptable liquidity position which is expected to be sufficient to fund the company's future working capital needs..

Auditor

The auditor, Moore (South) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

PETERS & MAY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

Tom Derbyshire
.....

Mr T Derbyshire

Director

Date: 13/09/2021.....

PETERS & MAY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

PETERS & MAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERS & MAY LIMITED

Opinion

We have audited the financial statements of Peters & May Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

PETERS & MAY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PETERS & MAY LIMITED

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, 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

PETERS & MAY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PETERS & MAY LIMITED

- The engagement partner selected a team for the audit, led by persons who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements through discussions with management and those charged with governance. We also reviewed available correspondence with regulators to identify any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with responsibility for ensuring legal and regulatory compliance is adhered to and considered the internal controls in place to mitigate identified risks. Management override was identified as a significant fraud risk. This is due to the ability to bypass controls and disclosure requirements. The validity of the related party transactions were also considered as part of management override.
- In addition to the possibility of management override of controls, areas considered of higher risk relating to the presentation of information in the financial statements included the recognition of revenue and intangible asset valuation.
- We assessed the control environment, documenting the systems, controls and processes adopted and undertook an assessment of risks identified in designing our audit approach, which incorporated a combination of tests of controls, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and those charged with governance and we obtained additional corroborative evidence as required.
- We obtained an understanding and assessed the impact of the Covid 19 pandemic on the operations of the business and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption in the preparation of the financial statements and dovetailed this with knowledge gained from our audit work.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made by management in determining accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular with group entities and transactions with directors
- reviewed the disclosures in the financial statements to ensure that they meet the requirements of financial reporting standards and relevant legislation.

In response to the risk of fraud through the adoption of inappropriate revenue recognition policies, we:

- reviewed the accounting policies adopted for consistency of application and compliance with acceptable practices
- undertook analytical procedures including comparisons with prior years and budgets, and considered the results in association with industry trends;
- tested transactions and balances with reference to contracts and sales agreements;
- tested cut off procedures including a review of transactions both sides of the balance sheet date;
- tested deferred income balances to ensure appropriate application of accounting policies and agreement of provision to sales with shipment dates post year end;

PETERS & MAY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PETERS & MAY LIMITED

In response to the potential for incorrect valuation of intangible assets, we:

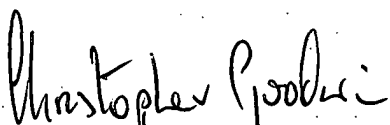
- reviewed the processes and controls in place for the accurate recording of asset movements and associated costs including the policy of capitalisation for assets in the course of construction;
- reviewed the list of intangible fixed assets for existence and circumstances that might give rise to potential impairment;
- assessed management's policy in exercising judgement and applying estimation procedures to determine rates of amortisation and assessed whether these policies had been applied consistently;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material mis-statements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Christopher Goodwin (Senior Statutory Auditor)
For and on behalf of Moore (South) LLP

Date: 13/9/2021

Chartered Accountants
Statutory Auditor

Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

PETERS & MAY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	33,260,483	49,534,789
Cost of sales		(28,545,261)	(44,307,514)
Gross profit		4,715,222	5,227,275
Administrative expenses		(4,519,553)	(4,916,506)
Other operating income		243,954	-
Operating profit	4	439,623	310,769
Interest receivable and similar income	7	2,679	16,383
Interest payable and similar expenses	8	(1,175)	-
Profit before taxation		441,127	327,152
Tax on profit	9	(136,831)	(72,996)
Profit for the financial year		304,296	254,156

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

PETERS & MAY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Goodwill	10		152,799		170,429
Other intangible assets	10		256,290		204,426
			<hr/>		<hr/>
Total intangible assets			409,089		374,855
Tangible assets	11		664,818		922,610
Investments	12		127,393		127,393
			<hr/>		<hr/>
			1,201,300		1,424,858
Current assets					
Stocks	14	64,797		47,606	
Debtors	15	8,811,254		10,835,932	
Cash at bank and in hand		688,419		1,229,461	
		<hr/>		<hr/>	
		9,564,470		12,112,999	
Creditors: amounts falling due within one year	16	(9,047,711)		(12,124,094)	
		<hr/>		<hr/>	
Net current assets/(liabilities)			516,759		(11,095)
			<hr/>		<hr/>
Net assets			1,718,059		1,413,763
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	19		21,752		21,752
Capital redemption reserve			326,689		326,689
Profit and loss reserves			1,369,618		1,065,322
			<hr/>		<hr/>
Total equity			1,718,059		1,413,763
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the board of directors and authorised for issue on 13/9/2021 and are signed on its behalf by:

Tom Derbyshire

Mr T Derbyshire
Director

Company Registration No. 02323015

PETERS & MAY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019	21,752	326,689	811,166	1,159,607
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	254,156	254,156
Balance at 31 December 2019	21,752	326,689	1,065,322	1,413,763
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	304,296	304,296
Balance at 31 December 2020	21,752	326,689	1,369,618	1,718,059

PETERS & MAY LIMITED

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

1 Accounting policies

Company information

Peters & May Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 9 Goodwood Road, Boyatt Wood, Eastleigh, Southampton, Hampshire, SO50 4NT.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

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 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Constantine Group Limited. These consolidated financial statements are available to the public and may be obtained from Companies House.

As 100% of the company's voting rights are controlled within the group headed by Constantine Group Limited, the company has taken advantage of the exemption contained in FRS 102.33 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

1.2 Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to be cash generative and to have a sufficient level of financial resources. Therefore the directors believe that the company is well placed to manage its business risks successfully. In particular, at the year end the company had cash at bank of £688,419 (2019 - £1,229,461). The company's debt is due to other companies within the Constantine Group with no external bank borrowings.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is measured at the fair value of consideration received or receivable in the normal course of business, net of discounts and VAT where applicable. Turnover from freight, packing, handling, transportation and storage services (special transport services) is recognised when the service has been performed.

1.4 Intangible fixed assets - goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value.

The goodwill is being amortised over 20 years as the directors believe the company will continue to derive financial benefits over these periods.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS 102 *Impairment of assets* when there is an indication that goodwill or an intangible asset may be impaired.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives are as follows:

Leasehold improvements	Term of the lease
Plant and equipment	12.5% - 25% per annum
Fixtures and fittings	20% per annum
Computer and other equipment	33% per annum
Motor vehicles	25% per annum

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

1.7 Stocks

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

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

1.8 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 in the company's balance sheet 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 instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through the income statement. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised through the income statement. Other investments are measured at cost less impairment in the income statement.

Investments in subsidiaries

There are separate financial instruments of the company. Investments in subsidiaries are carried at cost less impairment.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the income statement except as follows:

- investments in equity instruments that are not publically traded and whose value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the income statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rate basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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.

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 the income statement in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the income statement. Debt instruments may be designated as being measured at fair value through the income statement 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 the company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

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

Current tax

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

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

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

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

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

The company participates in a defined contribution retirement pension scheme. A defined contribution pension plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.13 Leases

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

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

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

1.14 Government grants

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

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

1.15 Foreign exchange

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denomination in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.16 Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in the financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividend policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

1.17 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

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.

The estimates and assumptions are significant risk to the assets and liabilities are as follows.

Impairment of investments

The directors do not consider there to be any significant sources of estimation uncertainty in respect of either the current or prior year. The directors conduct at each reporting date an impairment review of the company's investments when an indicator of impairment exists. The review assesses if the assets may be impaired, by considering the net assets of the investment in conjunction with forecasts relating to the future performance of the investment. Further details on the estimates and assumptions are included in note 10.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty (Continued)

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of the assets is based on historic performance as well as by expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible assets. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Impairment of goodwill and fixed asset investment

The most significant estimates made in these accounts relate to the assessment of the recoverability of goodwill (note 10) and fixed asset investments (note 12). The directors have made an assessment of the appropriateness of impairment provisions held based on historic and forecast financial performance.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	4,889,291	8,540,999
Overseas	28,371,192	40,993,790
	<u>33,260,483</u>	<u>49,534,789</u>

All turnover arises from services provided.

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(48,272)	(131,069)
Government grants	(231,856)	-
Fees payable to the company's auditor for the audit of the company's financial statements	26,100	25,600
Depreciation of owned tangible fixed assets	279,924	296,749
(Profit)/loss on disposal of tangible fixed assets	-	2,703
Amortisation of intangible assets	17,630	17,630
Operating lease charges	186,611	199,473
	<u>186,611</u>	<u>199,473</u>

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

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

	2020 Number	2019 Number
Directors	4	3
Sales, operations and administration	44	54
Total	<u>48</u>	<u>57</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,392,026	2,577,035
Social security costs	264,343	340,924
Pension costs	64,116	75,191
	<u>2,720,485</u>	<u>2,993,150</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	439,673	472,361
Company pension contributions to defined contribution schemes	12,001	15,820
	<u>451,674</u>	<u>488,181</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 2).

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

	2020 £	2019 £
Remuneration for qualifying services	<u>143,030</u>	<u>211,975</u>

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7	Interest receivable and similar income	2020	2019
		£	£
	Interest income		
	Interest on bank deposits	2,679	16,383
		<u> </u>	<u> </u>
8	Interest payable and similar expenses	2020	2019
		£	£
	Other interest	1,175	-
		<u> </u>	<u> </u>
9	Taxation	2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	129,757	114,302
	Adjustments in respect of prior periods	-	3,052
	Total current tax	<u>129,757</u>	<u>117,354</u>
	Deferred tax		
	Origination and reversal of timing differences	7,074	(44,358)
	Total tax charge	<u>136,831</u>	<u>72,996</u>

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

	2020	2019
	£	£
Profit before taxation	<u>441,127</u>	<u>327,152</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	83,814	62,159
Tax effect of expenses that are not deductible in determining taxable profit	757	3,630
Depreciation on assets not qualifying for tax allowances	4,009	4,155
Deferred tax adjustments in respect of prior years	<u>48,251</u>	<u>3,052</u>
Taxation charge for the year	<u>136,831</u>	<u>72,996</u>

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Intangible fixed assets

	Goodwill	Software	Total
	£	£	£
Cost			
At 1 January 2020	1,648,178	204,426	1,852,604
Additions	-	51,864	51,864
At 31 December 2020	1,648,178	256,290	1,904,468
Amortisation and impairment			
At 1 January 2020	1,477,749	-	1,477,749
Amortisation charged for the year	17,630	-	17,630
At 31 December 2020	1,495,379	-	1,495,379
Carrying amount			
At 31 December 2020	152,799	256,290	409,089
At 31 December 2019	170,429	204,426	374,855

The cost of the company's investment in its subsidiary undertakings reflected the underlying fair value of the net assets and goodwill at the time of acquisition. As a result of a subsequent hive up of trade and net assets to the company in 2010, the value of the company's investment fell below the amount at which it was stated in the company's accounting records. Companies Act 2006 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's income statement. However, the directors consider that, as there has been no overall loss to the company, it would fail to give a true and fair view to charge that diminution to the company's income statement and it should instead be re-allocated to goodwill, so as to recognise in the company's individual balance sheet the effective cost to the company of those net assets and goodwill. The effect of this departure is to increase the net cumulative amount of goodwill capitalised, net assets and shareholders' funds by £170,429 (2019 - £170,429).

The goodwill is being amortised over 20 years as the directors believe the company will continue to derive financial benefit over these periods.

The amortisation is recognised within administrative expenses within the income statement.

During their annual review of impairment, the directors have identified no significant impairment indicators in respect of goodwill in the current year.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	432,299	2,026,665	814,561	32,169	3,305,694
Additions	-	15,157	6,975	-	22,132
At 31 December 2020	432,299	2,041,822	821,536	32,169	3,327,826
Depreciation and impairment					
At 1 January 2020	346,020	1,277,206	756,627	3,231	2,383,084
Depreciation charged in the year	21,095	222,299	33,169	3,361	279,924
At 31 December 2020	367,115	1,499,505	789,796	6,592	2,663,008
Carrying amount					
At 31 December 2020	65,184	542,317	31,740	25,577	664,818
At 31 December 2019	86,279	749,459	57,934	28,938	922,610

12 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	13	127,393	127,393

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Bespoke Load Solutions Limited	Unit 9 Goodwood Road, Boyatt Wood, Eastleigh, Southampton, Hampshire, SO50 4NT	Specialist logistics	Ordinary Shares	100
Peters & May (China) Co Limited	Room B06, 3rd Floor, No 16, Nong 658, Jinzhong Road, Changning District, Shanghai 200335, PR China	Specialist logistics	Ordinary shares	100
Peters & May France SARL	Le Vaisseau, 120 Bd Amiral Mouchez, 76 600 Le Havre, France	Specialist logistics	Ordinary shares	100
Peters & May GmbH	Beim Strohause 31, 20097 Hamburg, Germany	Specialist logistics	Ordinary shares	100
Peters & May Italy S.R.L.	Genova (GE) Via al Porto, Antico 2 Cap 16128, Palazzina, Santa Maria, Italy	Specialist logistics	Ordinary shares	100

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

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Bespoke Load Solutions Limited	(106,174)	(327,557)
Peters & May (China) Co Limited	(43,441)	21,013
Peters & May France SARL	(80,815)	163,705
Peters & May GmbH	(112,913)	(345,012)
Peters & May Italy S.R.L.	(46,879)	(308,717)

14 Stocks

	2020 £	2019 £
Consumables	64,797	47,606

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	790,967	3,482,622
Corporation tax recoverable	2,360	-
Amounts owed by group undertakings	5,865,360	5,089,060
Directors loan account	167,835	11,036
Prepayments and accrued income	1,957,229	1,919,001
	<u>8,783,751</u>	<u>10,501,719</u>
Deferred tax asset (note 17)	27,503	34,577
	<u>8,811,254</u>	<u>10,536,296</u>
	2020	2019
	£	£
Amounts falling due after more than one year:		
Trade debtors	-	299,636
	<u>-</u>	<u>299,636</u>
Total debtors	<u>8,811,254</u>	<u>10,835,932</u>

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	226,120	2,571,148
Amounts owed to group undertakings	2,822,903	2,301,345
Corporation tax	297,304	167,547
Other taxation and social security	388,613	98,178
Other creditors	530	-
Accruals and deferred income	5,312,241	6,985,876
	<u>9,047,711</u>	<u>12,124,094</u>

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Deferred taxation

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

	Assets 2020 £	Assets 2019 £
Balances:		
Accelerated capital allowances	24,874	5,391
Retirement benefit obligations	2,629	4,534
Other	-	24,652
	<u>27,503</u>	<u>34,577</u>
		2020 £
Movements in the year:		
Asset at 1 January 2020		(34,577)
Charge to profit or loss		7,074
Asset at 31 December 2020		<u>(27,503)</u>

18 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to income statement in respect of defined contribution schemes	<u>64,116</u>	<u>75,191</u>

Contributions amounting to £8,417 (2019 - £23,863) were payable to the scheme at the end of the financial year.

19 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
'A' Ordinary shares of £1 each	16,314	16,314	16,314	16,314
'B' Ordinary shares of £1 each	5,438	5,438	5,438	5,438
	<u>21,752</u>	<u>21,752</u>	<u>21,752</u>	<u>21,752</u>

The 'A' Ordinary shares and 'B' Ordinary shares rank equally in all respects.

PETERS & MAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Operating lease commitments

Lessee

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

	2020	2019
	£	£
Within one year	20,817	5,310
Between two and five years	34,897	8,328
	<u>55,714</u>	<u>13,638</u>

During the year £186,611 was recognised as an expense in the income statement in respect of operating leases (2019 - £199,473). The expense for the year includes short-term operating leases in addition to the above rent commitments.

21 Ultimate controlling party

The company is a subsidiary undertaking of Constantine Group Limited, a company incorporated in England and Wales and registered at First Floor River Court, The Old Mill Office Park, Godalming, Surrey, GU7 1EZ. Constantine Group Limited is the company's ultimate parent company. The company's immediate parent company is Peters & May Group Limited, a company incorporated in England and Wales and registered at Unit 9, Goodwood Park, Boyatt Wood, Eastleigh, Southampton, Hampshire, SO50 4NT.

The smallest group in which the results of the company are consolidated is that headed by Peters & May Group Limited. The largest group in which the results of the company are consolidated is that headed by Constantine Group Limited. These consolidated financial statements are available to the public and may be obtained from Companies House.