



Ashwoods Lightfoot Limited

**Annual Report and Financial Statements
Year Ended 31 December 2019**

Registration number: 08287918



Ashwoods Lightfoot Limited

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Ashwoods Lightfoot Limited

Company Information

Directors	M D M Roberts J S Ellison
Registered office	Innovation Valley Harcombe Cross Chudleigh Newton Abbot Devon TQ13 0DG
Auditors	PKF Francis Clark Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay Devon TQ2 7FF

Ashwoods Lightfoot Limited

Strategic Report

Year Ended 31 December 2019

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

Principal activity

The principal activity of the company is the development and distribution of emission saving driver technology.

Fair review of the business

2019 saw strong growth with a 36.0% uplift in sales as a result of continued organic growth in the UK. Gross margin improved from 60.2% to 62.2% reflecting higher margin sales and operational efficiencies in the year. Overheads increased in the year by 29.6% to accommodate the additional sales and also included the uplift in staff to prepare for expected growth in 2020. The business ended the year in a strong position to continue its growth trajectory in 2020.

Principal risks and uncertainties

Cyber security

The business is heavily reliant upon data and data transmission and the failure to keep data secure would constitute a significant business risk. The business employs a third party security consultancy to consistently monitor and manage data security as well as internal resource that reports monthly to the board on such risks.

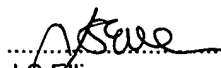
Dependence on key customers

The business has a relatively high level of customer concentration and losing a high volume customer would impact on long term profitability. Typically 50% of contract value is generated on implementation of a contract and loss of a customer therefore has less impact on cash. The pipeline of prospective customers indicates that concentration will reduce over time mitigating the risk.

Business disruption

Covid-19 impacted the business from March 2020. Approximately 50% of the workforce was furloughed immediately as a result of a drop in customer activity and prospective customer engagement. As a result of securing a significant contract in March 2020, the business was able to operate at almost full capacity from April 2020 through July 2020 as a result of implementing this contract reducing the impact of the pandemic on financial performance. Very few customers sought relief from their contractual monthly payments and monthly cash receipts have returned to almost 100% of contracted payments from September 2020. Staff gradually returned from furlough from June 2020 through September 2020; the business reduced headcount by under 10% during this period and does not foresee the need to reduce headcount further due to Covid-19. Overall performance for 2020 is expected to be in line with original expectations and the going concern status is not expected to be affected materially by Covid-19. The 2020 year end bank balance is expected to be materially similar to the end of 2019 and the forecast for 2021 shows an uplift in sales and profitability.

Approved by the Board on 26.11.20 and signed on its behalf by:


.....
J S Ellison
Director

Ashwoods Lightfoot Limited

Directors' Report

Year Ended 31 December 2019

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

Directors of the company

The directors who held office during the year were as follows:

M D M Roberts

J S Ellison

Financial instruments

Objectives and policies

The business objectives remain to build a market-leading business in driver behaviour technology principally through organic growth in the UK and international markets.

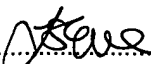
Price risk, credit risk, liquidity risk and cash flow risk

The business continues to price competitively. Many larger contracts are secured through competitive tender with telematics companies and the business wins a reasonable share of such tenders. Competitor prices are consistently monitored and pricing is adjusted where necessary to win new business. Some contracts are financed through third party leasing arrangements. These arrangements enable the business to manage cashflow to meet short term needs. The business continues to seek new finance partners and competitive finance rates to support growth albeit it does not foresee a need to secure new finance opportunities to meet its plans for the next 12 months.

Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 26.11.20 and signed on its behalf by:

..........

J S Ellison
Director

Ashwoods Lightfoot Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Ashwoods Lightfoot Limited

Independent Auditor's Report to the Members of Ashwoods Lightfoot Limited

Opinion

We have audited the financial statements of Ashwoods Lightfoot Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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

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

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

We have nothing to report in this regard.

Ashwoods Lightfoot Limited

Independent Auditor's Report to the Members of Ashwoods Lightfoot Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ashwoods Lightfoot Limited

Independent Auditor's Report to the Members of Ashwoods Lightfoot Limited

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.

PKF Francis Clark

Christopher Hicks BA FCA DChA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Date: *11 December 2020*

Ashwoods Lightfoot Limited

Profit and Loss Account

Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	4,456,011	3,277,290
Cost of sales		<u>(1,685,941)</u>	<u>(1,305,874)</u>
Gross profit		2,770,070	1,971,416
Administrative expenses		(3,389,880)	(2,615,911)
Other operating income	4	<u>357,733</u>	<u>652,341</u>
Operating (loss)/profit	5	<u>(262,077)</u>	<u>7,846</u>
Other interest receivable and similar income	9	131,642	77,769
Interest payable and similar charges	10	<u>(225,942)</u>	<u>(224,520)</u>
		<u>(94,300)</u>	<u>(146,751)</u>
Loss before tax		(356,377)	(138,905)
Taxation	11	<u>(9,193)</u>	<u>(8,311)</u>
Loss for the financial year		<u><u>(365,570)</u></u>	<u><u>(147,216)</u></u>

The notes on pages 11 to 23 form an integral part of these financial statements.

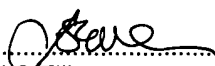
Ashwoods Lightfoot Limited

Balance Sheet

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	2,247,689	1,544,850
Tangible assets	13	<u>128,381</u>	<u>254,677</u>
		<u>2,376,070</u>	<u>1,799,527</u>
Current assets			
Stock	14	870,382	256,922
Debtors	15	2,224,207	2,864,498
Cash at bank and in hand		<u>946,945</u>	<u>2,320,428</u>
		4,041,534	5,441,848
Creditors: Amounts falling due within one year	16	<u>(5,074,832)</u>	<u>(5,305,916)</u>
Net current (liabilities)/assets		<u>(1,033,298)</u>	<u>135,932</u>
Total assets less current liabilities		1,342,772	1,935,459
Creditors: Amounts falling due after more than one year	16	(1,420,834)	(1,737,950)
Provisions for liabilities	19	<u>(170,461)</u>	<u>(80,462)</u>
Net (liabilities)/assets		<u>(248,523)</u>	<u>117,047</u>
Capital and reserves			
Called up share capital	21	1	1
Profit and loss account		<u>(248,524)</u>	<u>117,046</u>
Total equity		<u>(248,523)</u>	<u>117,047</u>

Approved and authorised by the Board on 26.11.20 and signed on its behalf by:


.....
J S Ellison
Director

Company Registration Number: 08287918

Ashwoods Lightfoot Limited

Statement of Changes in Equity

Year Ended 31 December 2019

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	1	117,046	117,047
Loss for the year	-	(365,570)	(365,570)
Total comprehensive income	-	(365,570)	(365,570)
At 31 December 2019	1	(248,524)	(248,523)

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	1	524,512	524,513
Loss for the year	-	(147,216)	(147,216)
Total comprehensive income	-	(147,216)	(147,216)
Dividends	-	(255,750)	(255,750)
Distribution	-	(4,500)	(4,500)
At 31 December 2018	1	117,046	117,047

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Innovation Valley
Harcombe Cross
Chudleigh
Newton Abbot
Devon
TQ13 0DG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company has taken advantage of the exemption, under FRS102, from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company includes the company's cash flows in its consolidated financial statements.

The company has taken advantage of the exemption in FRS102 from disclosing transactions with group companies.

Going concern

Despite declaring a loss for 2019, the company has seen significant growth in sales and cash generation in 2020. Covid -19 has impacted the business throughout 2020 but as a result of a significant contract win in the first quarter 2020, a tight control of overhead spend, and the cash received under the furlough scheme, the company has exceeded its forecast performance. Future growth prospects are strong with an increasing pipeline and the company expects to meet its financial obligations for the foreseeable future. The directors have prepared budgets and cashflows for the following 12 months following the approval of these financial statements through to the end of 2021, taking what they believe to be reasonable assumptions on the level of trading, acknowledging the inherent uncertainties caused by the impact of the pandemic. Based on these projections, the company will have sufficient funding to finance its operations throughout this period. In the event that trading falls below expectations, the directors believe that there is sufficient headroom of at least 30% on revenue, and that other cost cutting measures could be taken to ensure that cashflow is maintained. Accordingly the financial statements have been prepared on a going concern basis.

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Key sources of estimation uncertainty

The directors have considered the useful economic life of the capitalised development expenditure to be 8 years, based on their current assessment of the life cycle of the product and nature of expenditure incurred. The directors will review this on an annual basis in the light of the commercial and technological advances of the product.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company. Revenue on the sale of equipment is recognised at the point of supply or installation to the customer. Revenue on the sale of subscription services is recognised equally over the term of the contract. The majority of the revenue relates to bundled services. Revenue is allocated between bundled elements to ensure an equal gross profit margin over the life of the contract.

The company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Grants

Grants are accounted for using the performance model as permitted by FRS 102. Grants are credited to the Statement of Income and Retained Earnings when the performance-related conditions of the grant are met by company.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	Straight line over 3 years
Computer equipment	Straight line over 3 years
Motor vehicles	Straight line over 3 years
Plant and machinery	Straight line over 3 years

Intangible assets

Separately acquired trademarks are shown at historical cost.

Trademarks have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Trademarks	Straight line over 3 years
Development costs	Straight line over 8 years
Software	Straight line over 3 years

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Provisions

Provisions are recognised when the company has an obligation at the reporting date 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.

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019 £	2018 £
Sale of goods	<u>4,456,011</u>	<u>3,277,290</u>

The analysis of the company's turnover for the year by market is as follows:

	2019 £	2018 £
UK	<u>4,456,011</u>	<u>3,277,290</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019 £	2018 £
Government grants	283,193	314,876
Management charges receivable	-	239,370
Other income	<u>74,540</u>	<u>98,095</u>
	<u>357,733</u>	<u>652,341</u>

5 Operating loss

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	119,589	95,015
Amortisation expense	320,323	117,282
Foreign exchange losses	3,221	1,339
Loss on disposal of property, plant and equipment	<u>12,644</u>	<u>1,918</u>

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019	2018
	£	£
Wages and salaries	1,737,096	1,205,421
Social security costs	172,428	185,272
Pension costs, defined contribution scheme	33,896	16,755
Other employee expense	15,342	7,299
	<u>1,958,762</u>	<u>1,414,747</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019	2018
	No.	No.
Admin & Production	45	41
Management	12	10
Sales	6	5
	<u>63</u>	<u>56</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	80,559	62,152
Sums paid to third parties for directors' services	140,409	185,638
	<u>220,968</u>	<u>247,790</u>

In respect of the highest paid director:

	2019	2018
	£	£
Remuneration	<u>155,409</u>	<u>196,888</u>

8 Auditor's remuneration

	2019	2018
	£	£
Audit of the financial statements	<u>15,000</u>	<u>6,173</u>

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

9 Other interest receivable and similar income

	2019 £	2018 £
Other finance income	<u>131,642</u>	<u>77,769</u>

10 Interest payable and similar expenses

	2019 £	2018 £
Interest on obligations under finance leases and hire purchase contracts	16,809	10,143
Interest expense on other finance liabilities	<u>209,133</u>	<u>214,377</u>
	<u>225,942</u>	<u>224,520</u>

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

11 Taxation

Tax charged/(credited) in the profit and loss account

	2019 £	2018 £
Current taxation		
UK corporation tax	9,193	16,311
Deferred taxation		
Arising from origination and reversal of timing differences	-	(8,000)
Tax expense in the income statement	<u>9,193</u>	<u>8,311</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Loss before tax	<u>(356,377)</u>	<u>(138,905)</u>
Corporation tax at standard rate	(67,712)	(26,392)
Effect of revenues exempt from taxation	(67,097)	(67,983)
Effect of expense not deductible in determining taxable profit (tax loss)	9,399	11,811
Deferred tax expense relating to changes in tax rates or laws	63,433	9,189
Deferred tax expense from unrecognised tax loss or credit	70,468	96,695
Deferred tax credit from unrecognised temporary difference from a prior period	-	(15,585)
Tax increase from effect of capital allowances and depreciation	<u>702</u>	<u>576</u>
Total tax charge	<u>9,193</u>	<u>8,311</u>

Deferred tax

There are £1,416,101 of unused tax losses (2018 - £850,864) and £25,510 of unused tax credits (2018 - £16,311) for which no deferred tax asset is recognised in the Balance Sheet.

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

12 Intangible assets

	Trademarks £	Development costs £	Software £	Total £
Cost or valuation				
At 1 January 2019	3,370	1,721,250	25,596	1,750,216
Additions acquired separately	-	1,031,693	-	1,031,693
At 31 December 2019	3,370	2,752,943	25,596	2,781,909
Amortisation				
At 1 January 2019	3,370	196,934	5,062	205,366
Amortisation charge	-	320,322	8,532	328,854
At 31 December 2019	3,370	517,256	13,594	534,220
Carrying amount				
At 31 December 2019	-	2,235,687	12,002	2,247,689
At 31 December 2018	-	1,524,316	20,534	1,544,850

13 Tangible assets

	Leasehold improvements £	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2019	15,840	112,534	166,595	75,385	370,354
Additions	-	16,887	-	4,916	21,803
Disposals	-	(48,564)	(35,349)	-	(83,913)
At 31 December 2019	15,840	80,857	131,246	80,301	308,244
Depreciation					
At 1 January 2019	3,714	36,370	59,257	16,336	115,677
Charge for the year	5,301	40,436	49,493	24,359	119,589
Eliminated on disposal	-	(29,677)	(25,726)	-	(55,403)
At 31 December 2019	9,015	47,129	83,024	40,695	179,863
Carrying amount					
At 31 December 2019	6,825	33,728	48,222	39,606	128,381
At 31 December 2018	12,126	76,164	107,338	59,049	254,677

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

14 Stock

	2019 £	2018 £
Raw materials and consumables	477,962	66,632
Finished goods and goods for resale	392,420	190,290
	<u>870,382</u>	<u>256,922</u>

15 Debtors

	2019 £	2018 £
Trade debtors	909,158	716,713
Other debtors	83,931	146,362
Prepayments	1,231,118	2,001,423
	<u>2,224,207</u>	<u>2,864,498</u>

16 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	17	280,917	296,616
Trade creditors		240,438	681,932
Amounts due to group undertakings		2,770,062	3,153,893
Social security and other taxes		150,297	60,652
Outstanding defined contribution pension costs		6,675	9,795
Other creditors		13,830	9,945
Accruals and deferred income		1,612,613	1,093,083
		<u>5,074,832</u>	<u>5,305,916</u>
Due after one year			
Loans and borrowings	17	<u>1,420,834</u>	<u>1,737,950</u>

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

17 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Loans and borrowings	224,393	197,243
Finance lease liabilities	56,524	99,373
	<u>280,917</u>	<u>296,616</u>
	2019 £	2018 £
Non-current loans and borrowings		
Loans and borrowings	1,376,081	1,636,474
Finance lease liabilities	44,753	101,476
	<u>1,420,834</u>	<u>1,737,950</u>

Included within loans and borrowings is a fixed term loan of £1,000,000, which is repayable in 20 quarterly instalments commencing in October 2020. Interest is payable at a fixed rate of 3.7% per annum.

Included within loans and borrowings is a fixed term loan of £600,474, which is repayable in 17 quarterly instalments commencing in August 2018. Interest is payable at a fixed rate of 4.6% per annum.

All loans and borrowings are secured by fixed and floating charge over certain assets of the company.

Finance lease liabilities are secured over the assets to which they relate to.

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	61,178	2,069
Later than one year and not later than five years	61,644	1,178
	<u>122,822</u>	<u>3,247</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £60,261 (2018 - £2,069).

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

19 Other provisions

	Product warranties £	Total £
At 1 January 2019	80,462	80,462
Increase (decrease) in existing provisions	<u>115,000</u>	<u>115,000</u>
At 31 December 2019	<u><u>195,462</u></u>	<u><u>195,462</u></u>

The provision for product warranties relates to expected warranty claims on ongoing contracts and lost trial units.

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £33,896 (2018 - £16,755).

Contributions totalling £6,675 (2018 - £9,795) were payable to the scheme at the end of the year and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

22 Dividends

Interim dividends paid

	2019 £	2018 £
Interim dividend of £Nil (2018 - £255,750.00) per each Ordinary Shares share	<u>-</u>	<u>255,750</u>

Ashwoods Lightfoot Limited

Notes to the Financial Statements

Year Ended 31 December 2019

23 Commitments

Financial commitments

There is a fixed and floating charge over certain assets of the company to secure the borrowings of its parent company. The total amount of other financial commitments not provided in the financial statements was £3,239,670 (2018 - £3,009,000).

24 Parent and ultimate parent undertaking

The company's immediate parent is Lightfoot Innovations Limited, incorporated in England and Wales.

The registered office of this company is Innovation Valley, Harcombe Cross, Chudleigh, Devon, England, TQ13 0DG.