

Smithers-Oasis U.K. Limited
Annual report and financial statements
for the year ended 31 March 2020

Registered number: 1542218

Smithers-Oasis U.K. Limited
Annual report and financial statements
for the year ended 31 March 2020

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Smithers-Oasis U.K. Limited

Strategic report for the year ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020

Review of the business

The results for the company show a loss before taxation of £51,000 (2019: loss £147,000) for the year and dividends paid of £nil (2019: £403,000).

The Directors do not recommend payment of a final dividend for the financial year ended 31 March 2021 (2020: £nil).

The directors consider the company's financial position as at 31 March 2020, as set out on page 8, to be satisfactory.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Future outlook

Objectives are in place that will ensure the continued success of the company:

- (1) Capital investment projects – The company continues to invest in new equipment to ensure that the business can continue to provide excellent product and service.
- (2) The company have been pursuing an innovation culture to assist the business with growth in the future. Whilst in its early stages this culture is now growing to be part of the everyday thinking and is generating additional business opportunities and process improvements.
- (3) Lean manufacturing – continued efforts to promote a continuous development philosophy and culture across all sites are progressing and will continue to ensure low cost manufacturing.

Principal risks and uncertainties

The principal risks to the industry lies in the ability of the Retail Florist to adapt to the current business environment. The company has and will continue its work with the main industry bodies (Society of Floristry, British Florist Association, Floral Colleges) and advise these in as much as we are able, with the shared aim of promoting the UK Floral Industry.

Competition will continue to attack our market share, and the company through its field sales and industry activity will defend its position.

Through duplication of process with our sister companies worldwide, relatively few issues exist in relation to business interruption through plant loss.

The company will continue to make all efforts to retain key staff and to plan for contingencies where this does occur.

Covid-19

During the year, the global Covid-19 pandemic occurred which was continuing at the year end and to the date of signing the financial statements.

In preparing these financial statements, the Directors have considered the impacts of Covid-19 on the entity for both the results for the year to 31 March 2020 and for future performance.

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The Directors continue to monitor the ongoing situation and its impact on the company. An assessment of the entity's ability to continue as a going concern in light of the current situation has been carried out and is detailed under the Going Concern heading within the Statement of accounting policies.

Brexit

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement". The directors have considered the impact on the company regarding the agreed exit terms within the agreement and wider regulatory and legal implications within these statutory financial statements and will continue to do so.

By order of the Board



P Southwick
Company secretary
22nd June 2021

Smithers-Oasis U.K. Limited

Directors' report for the year ended 31 March 2020

The directors present their report and the audited financial statements of the company for the year ended 31 March 2020.

Principal activities and review of the business

Smithers-Oasis U.K. Limited is the UK's leading manufacturer of floral foam for professional florists, together with being a supplier of general sundry products. Distribution of its products is through floral wholesalers and through both B2B and B2C webshops. A review of the business is set out in the Strategic report.

Financial risk management

Credit risk

The company is exposed to credit risk on its trade debtor's balances, but mitigates credit risk by the implementation of credit checks on potential customers before sales commence.

Interest rate risk

The company is exposed to interest rate risk on the revolver bank loan, at 1.5% above base, the revolver loan runs until March 2023, at which point it will be reviewed.

Foreign exchange risk

The company undertakes transactions denominated in foreign currencies and is therefore exposed to exchange rate fluctuations. The directors do not consider this risk to be significant enough to warrant hedging against.

Going Concern

The directors are aware that these financial statements are being signed in the middle of the coronavirus pandemic. Restrictions have been eased by the Government but there is still uncertainty surrounding the aftermath of Covid-19, however at the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have also been provided with a letter of support by their ultimate parent undertaking Smithers-Oasis Company. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The directors of the company who served during the financial year and up to the date of signing the financial statements were as follows:

R M Kilbride

S K Short

J Stull

Future outlook

The future outlook of the company is included within the Strategic report.

Statement of directors' responsibilities in respect of the financial statements

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

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Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Directors’ confirmations

In the case of each director in office at the date the directors’ report is approved:

- so far as the director is aware, there is no relevant audit information of which the company’s auditors are unaware; and
- they have 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Board



P Southwick
Company secretary
22nd June 2021

Independent auditors' report to the members of Smithers-Oasis U.K. Limited

Report on the audit of the financial statements

Opinion

In our opinion, Smithers-Oasis U.K. Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2020 and the Statement of income and retained earnings for the year then ended; the Statement of accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent

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material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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 year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or

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- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Craig Willis'.

Craig Willis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
22 June 2021

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Statement of income and retained earnings for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover	1	17,698	18,681
Cost of sales		(11,312)	(12,414)
Gross profit		6,386	6,267
Administrative expenses		(6,378)	(6,343)
Operating profit / (loss)	3	8	(76)
Interest payable and similar expenses	4	(59)	(71)
Loss before taxation		(51)	(147)
Tax on loss	5	(15)	116
Loss for the financial year		(66)	(31)
Dividends paid		-	(403)
Opening profit and loss account		2,268	2,702
Closing profit and loss account		2,202	2,268

All results derive from continuing operations.

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Balance sheet as at 31 March 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Intangible assets	7		-		-
Tangible assets	8		2,127		2,187
Investments	9		-		-
			2,127		2,187
Current assets					
Stocks	10	3,261		3,073	
Debtors	11	3,170		3,619	
Cash at bank and in hand		267		47	
		6,698		6,739	
Creditors: amounts falling due within one year	12	(4,307)		(4,263)	
Net current assets			2,391		2,476
Total assets less current liabilities			4,518		4,663
Creditors: amounts falling due after more than one year	13		(2,126)		(2,219)
Provisions for liabilities	15		(90)		(75)
Net assets			2,302		2,368
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account			2,202		2,268
Total shareholders' funds			2,302		2,368

The financial statements on pages 8 to 24 were approved by the Board of directors on 22nd June 2021 and were signed on its behalf by:



S K Short
Director

Registered number: 1542218

Smithers-Oasis U.K. Limited

Statement of accounting policies

Company information

Smithers-Oasis U.K. Limited is a private company, limited by shares and is registered in England and incorporated in the United Kingdom. The address of its registered office is Crowther Road, Crowther Industrial Estate, Washington, Tyne and Wear, NE38 0AQ. Smithers-Oasis U.K. Limited is the UK's leading manufacturer of floral foam for professional florists, together with being a supplier of general sundry products. Distribution of its products is through floral wholesalers.

Statement of compliance

The financial statements of Smithers-Oasis U.K. Limited have been prepared in compliance with the applicable United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of derivatives which are held at fair value through profit and loss, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been consistently applied and are uniformly applied across the group, are set out below.

Going Concern

The directors are aware that these financial statements are being signed in the middle of the coronavirus pandemic. Restrictions have been eased by the Government but there is still uncertainty surrounding the aftermath of Covid-19, however at the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have also been provided with a letter of support by their ultimate parent undertaking Smithers-Oasis Company. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Tangible assets and depreciation

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Freehold buildings - 25 years

Plant and machinery - 2 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal levels of production.

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Statement of accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on taxation rates and law enacted or substantively enacted at the balance sheet date.

Royalties

Royalties are accrued and charged to the profit and loss account based on the relevant percentage of turnover.

Foreign currencies

Transactions in the profit and loss account are translated into sterling at a fixed rate of exchange set by the holding company as an approximation to the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in the balance sheet are translated into sterling at the exchange rate ruling at the balance sheet date.

All exchange gains or losses in settlement or translation of monetary assets and liabilities are included in the determination of profit for the financial year.

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions

The company participates in a defined contribution pension scheme. Contributions to the scheme are made to a separately administered fund and are charged to the profit and loss account as they become payable.

Turnover

Turnover comprises the sales value of goods supplied by the company exclusive of value added tax. Sales are recognised when goods are invoiced and delivered to customers.

Dividends

Dividends are only recognised when the liability is irrevocable, for example when approved by the shareholders or when paid.

Grant income

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

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Statement of accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company Smithers-Oasis Europe Limited includes the company's cash flow in its own consolidated financial statements.

Derivatives and hedging

The company has entered into an interest rate swap to manage its exposure to floating rate interest rates, this has been recognised at fair value at the year end.

Exemptions for qualifying entities under FRS 102

1.11 FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of the following exemptions in its individual financial statements:

1.12(b) • from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;

1.12(c) • from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;

Consolidated

The company is a wholly owned subsidiary of Smithers-Oasis Europe Limited and is included in the consolidated financial statements of Smithers-Oasis Europe Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies' Act 2006.

Critical accounting estimates and assumptions

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. We also consider that there are no significant judgements.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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(i) Stock provisioning

It is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

(ii) Provisions for impairment of debtors

Debtor balances are reviewed for impairment on an annual basis. In considering the need for a provision, management determines their best estimate of the expected future cash flows.

As this estimate relies on a certain number of assumptions about future events which may differ from actual outcomes, including the borrower's ability to repay amounts owed, this gives rise to estimation as to whether there is a shortfall between the carrying value and the fair value of the debtor balance.

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Notes to the financial statements for the year ended 31 March 2020

1 Turnover

The company's turnover arose entirely from the manufacture and supply of floral foam and associated products.

Turnover by geographical market is analysed below:

	2020	2019
	£'000	£'000
United Kingdom	12,186	13,506
Rest of Europe	5,243	5,095
Rest of World	269	80
	17,698	18,681

2 Staff costs

	2020	2019
	£'000	£'000
Wages and salaries	2,946	3,023
Social security costs	251	270
Other pension costs (note 18)	117	110
	3,314	3,403

The average monthly number of persons employed by the company by activity, including executive directors, during the financial year was:

	2020	2019
	Number	Number
Production	96	100
Sales and marketing	17	17
Administration	11	10
	124	127

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Notes to the financial statements for the year ended 31 March 2020 (continued)

2 Staff costs (continued)

Directors' remuneration

None of the directors or key management are remunerated directly by the company. They provide services to a number of group companies and it is not considered practicable to split their emoluments between these companies.

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Depreciation of tangible fixed assets	377	382
Amortisation of grant income	(5)	(5)
Royalties	827	879
Operating leases - plant and machinery	99	115
Auditors' remuneration - audit services	69	38
- other services relating to taxation	8	11
Loss on foreign currency translation	65	96

4 Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest payable on bank loans	(59)	(71)

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Notes to the financial statements for the year ended 31 March 2020 (continued)

5 Tax on loss

(a) Analysis of charge/(credit) in the year

	2020	2019
	£'000	£'000
Current tax:		
UK corporation tax on loss for the year	-	(13)
Adjustments in respect of previous years	-	(104)
Total current tax	-	(117)
Deferred tax:		
Origination and reversal of timing differences	9	1
Adjustments in respect of previous years	(3)	-
Effect of changes in tax rates	9	-
Total deferred tax (note 15)	15	1
Total tax on loss	15	(116)

(b) Factors affecting the tax charge/(credit) for the year

The tax assessed for the financial year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
Loss before taxation	(51)	(147)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	(10)	(28)
Effects of:		
Expenses not deductible for tax purposes	19	21
Income not taxable	-	(2)
Adjustments in respect of previous years	(3)	(107)
Effect of changes in tax rates	9	-
Total current tax charge/(credit)	15	(116)

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Notes to the financial statements for the year ended 31 March 2020 (continued)

5 Tax on loss (continued)

(c) Factors that may affect future tax charges

The Finance (No. 2) Act 2015 was substantively enacted on 26 October 2015. This reduced the main rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. A further reduction in the main corporation tax rate to 17% from 1 April 2020 was announced in the 2016 Budget and substantively enacted in the Finance Act 2016.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £17,644, to increase the deferred tax liability by £17,644

6 Dividends paid

	2020	2019
	£'000	£'000
Equity – ordinary		
Paid: Nil per £1 ordinary share (2019: £4.03)	-	403

7 Intangible assets

	Goodwill
	£'000
Cost	
At 1 April 2019 and at 31 March 2020	157
Accumulated amortisation	
At 1 April 2019 and at 31 March 2020	157
Net book amount	
At 31 March 2020	-
At 31 March 2019	-

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Notes to the financial statements for the year ended 31 March 2020 (continued)

8 Tangible assets

	Freehold land and buildings	Plant and machinery	Total
	£'000	£'000	£'000
Cost			
At 1 April 2019	3,341	4,655	7,996
Additions	-	320	320
Disposals	(3)	(103)	(106)
At 31 March 2020	3,338	4,872	8,210
Accumulated depreciation			
At 1 April 2019	1,979	3,830	5,809
Charge for the year	96	281	377
Disposals	-	(103)	(103)
At 31 March 2020	2,075	4,008	6,083
Net book amount			
At 31 March 2020	1,263	864	2,127
At 31 March 2019	1,362	825	2,187

9 Investments

	2020	2019
	£'000	£'000
Investments in subsidiary undertakings	-	-

A list of the subsidiary undertakings, is as follows:

Subsidiary	Country of incorporation and operation	Ownership	Principal activity	Registered office
Smithers-Oasis Canada Ltd	Canada	100%	Manufacture and supply of floral foam and associated products.	2900 – 550 Burrard Street, Vancouver, BC V6C 0A3

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Notes to the financial statements for the year ended 31 March 2020 (continued)

10 Stocks

	2020	2019
	£'000	£'000
Raw materials	537	450
Work in progress	109	129
Finished goods and goods for resale	2,615	2,494
	3,261	3,073

The total amount of stock expensed in the profit and loss account as cost of sales is £8,996,000 (2019: £9,482,000).

11 Debtors

	2020	2019
	£'000	£'000
Trade debtors	2,073	2,352
Amounts owed by group undertakings	723	938
Other debtors	37	31
Corporation tax	13	-
Prepayments and accrued income	324	298
	3,170	3,619

There is no interest receivable on trading amounts owed by group undertakings.

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Notes to the financial statements for the year ended 31 March 2020 (continued)

12 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Bank loans and overdrafts (note 14)	86	86
Trade creditors	1,678	2,035
Amounts owed to group undertakings	2,080	1,621
Other taxation and social security	241	155
Other creditors	43	84
Accruals and deferred income	179	282
	4,307	4,263

Amounts owed to group undertakings and related parties are unsecured, interest free and have no set repayment date.

13 Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Bank loans and overdrafts	2,059	2,147
Accruals and deferred income	67	72
	2,126	2,219

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Notes to the financial statements for the year ended 31 March 2020 (continued)

14 Bank loans and overdrafts

	2020	2019
	£'000	£'000
Maturity of financial liabilities – payable in instalments		
Less than one year	86	86
1 to 2 years	86	86
2 to 5 years	1,659	1,659
More than 5 years	314	402
	2,145	2,233

The bank loans are repayable in instalments. Interest is payable at 0.9% above base rate for the Barclays loan and at 1.75% above LIBOR on the Wells Fargo loan. There is a loan in existence with Barclays bank and this loan is secured by a charge over the land and buildings at Crowther. The Wells Fargo loan is secured by a charge over the assets of the business.

15 Provisions for liabilities

The deferred tax recognised in the financial statements comprises:

	2020	2019
	£'000	£'000
Accelerated capital allowances	(107)	(89)
Short term timing differences	17	14
(Liability)/asset	(90)	(75)

Smithers-Oasis U.K. Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

15 Provisions for liabilities (continued)

	£'000
At 1 April 2019	(75)
Charged to the profit and loss account (note 5)	(15)
At 31 March 2020	(90)

16 Called up share capital

	2020	2019
	£'000	£'000
Authorised, allotted and fully paid:		
100,000 (2019: 100,000) ordinary shares of £1 each	100	100

17 Financial commitments

At the year end the company was committed to the following annual obligations under operating leases on plant and machinery:

	2020	2019
	£'000	£'000
Expiring within one year	83	97
Expiring between one and two years	71	79
Expiring between two and five years	91	156
	245	332

Smithers-Oasis U.K. Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

18 Pension costs

The company participates in a defined contribution pension scheme. The assets of the scheme are held in a separately administered fund. The total pension cost for the financial year was £117,000 (2019: £110,000). At the year end pension contributions of £31,000 (2019: £15,000) were due to the scheme.

19 Related party transactions

The company has taken advantage of the exemption under Section 33.1A of FRS 102 from disclosing transactions with companies in the group headed by Smithers-Oasis Europe Limited on the grounds that it is a wholly owned subsidiary and the financial statements of Smithers-Oasis Europe Limited are publicly available. Amounts owed by and to these companies at 31 March 2020 are shown in notes 11 and 12 to the financial statements, respectively.

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements

The company has also entered into transactions in the normal course of trading, with the wider Smithers-Oasis Company group as follows:

	2020	2019
	£'000	£'000
Sales to Smithers-Oasis Company and its subsidiaries	251	245
Purchases from Smithers-Oasis Company and its subsidiaries	33	33
Royalties due to Smithers-Oasis Company and its subsidiaries	827	879

Balances outstanding at the year end in respect of these transactions are as follows:

	2020	2019
	£'000	£'000
Amounts owed by Smithers-Oasis Company and its subsidiaries	230	52
Amounts owed to Smithers-Oasis Company and its subsidiaries	1,786	1,185

Smithers-Oasis U.K. Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

20 Ultimate parent undertaking and controlling party

As at 31 March 2020, Smithers-Oasis U.K. Limited was a subsidiary of Smithers-Oasis Europe Limited which is the smallest group to prepare consolidated financial statements which include the results of Smithers-Oasis U.K. Limited. The company's ultimate parent undertaking and largest group to prepare consolidated financial statements is Smithers-Oasis Company, registered Head Quarters at 295 South Water Street, Kent, OH, United States of America.

The ultimate controlling party of Smithers-Oasis Company is considered to be R M Kilbride by virtue of her controlling interest in the company.