REGISTERED NUMBER: 01763970 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

FOR

AVOIRA LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2019

COMPANY INFORMATION
for the Year Ended 31st December 2019

DIRECTORS:	Mr A J Roberts Mr D R Bennett
SECRETARY:	Mr S M Turner
REGISTERED OFFICE:	Pennine House Salford Street Bury BL9 6YA
REGISTERED NUMBER:	01763970 (England and Wales)
AUDITORS:	Kay Johnson Gee Limited Chartered Accountants and Statutory Auditors 1 City Road East Manchester M15 4PN

STRATEGIC REPORT
for the Year Ended 31st December 2019

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

ABOUT AVOIRA

2019 has been another positive year for Avoira (formerly Pennine) as the company continues to pursue its established strategy and delivered growth in turnover, gross profit and EBITDA. We would like to thank our colleagues, our customers and our vendors for their continued loyalty and support as together we all share the successes of 2019.

The principal activity of Avoira Limited is the design, supply and support of unified communications and IT services to our customers. The company differentiates itself through its speciality in product offering, technical expertise and the provision of high levels of service and support to our customers.

We have a diverse customer base and long standing relationships with a number of customer's vendors, some of which date back to the companies origins in 1976.

BUSINESS REVIEW
The directors are very pleased to report that in 2019 we again achieved growth across each of the company's key financial metrics. Revenue increased 23% to £11.7m whilst gross profit increased 20.7% to £6.7m. EBITDA increased from £1.2 million to £1.4m. Cash balances stood at £1.15m up 22.5% on 2019.

FINANCIAL KEY PERFORMANCE INDICATORS

	2019	2018
Turnover	£11.7m	£9.5m
Gross Profit	£6.4m	£5.3m
Gross Margin	54.7%	55.5%
EBITDA	£1.4m	£1.2m
Cash	£1.15m	£0.94m

FUTURE DEVELOPMENTS
Our plans for the future continue to be:-
- Investment in our business systems to support business growth;
- Training and development of our teams;
- Strengthening our portfolio of products and services offered; and
- Continued investment in strategic acquisitions where the directors consider are appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES
The directors consider the following are the principal risks that could materially impact the company's future operating profits or financial stability. However, the company has systems and controls to monitor and actively manage each of these potential exposures with regularly reviews, reassessment and proactive management of these risks.

- Market uncertainties surrounding COVID 19 / Brexit or other such market forces that creates uncertainty around supply or demand for the company's product and services
- Dependency on senior management personnel who have extensive experience and knowledge of the company, the company's markets, product and service offering, vendor portfolio and customer base.
- Loss of key customers and therefore a lack of certainty in respect of the retention of existing customers
- Supplier related risk:-
o Product supply shortages.

BREXIT

The directors are monitoring Brexit risks and reviewing action plans, although the outcome of Brexit negotiations is currently subject to a high degree of uncertainty. In the short-term, disruption to the supply of products could affect the ability to meet customer demand. The company is working closely with key vendors to maintain availability of goods during any initial post-Brexit disruption.

THE COVID - 19 PANDEMIC

The COVID-19 pandemic has been dramatically affecting the global economy. The directors consider that the situation could represent an on-going challenge to customer demand, product supply, and our operations in 2020. The directors consider Avoira Limited is a financially sound business and have concluded that it will not compromise the company's ability to continue as a going concern. The directors will continue to closely monitor the situation and react accordingly.

The vast majority of our colleagues have successfully worked from home, using technology we sell and support to undertake their roles. More recently, a number of staff have returned to our offices, where it is considered sufficiently safe and effective for them to do so. Our teams have shown great flexibility in their work locations and patterns and the directors would like to thank the team for their understanding during this period.

Protection of the business over the short term has meant a significant and on-going focus on the management of working capital, control over our costs and a continued focus on our strategy. Cash receipts from customers have generally remained at normal levels.

The directors believe that the company's specialist service and support model remains fundamentally valid, and that company's strong technical skills combined with product breadth means that the business is well placed for future growth.

ON BEHALF OF THE BOARD:

Mr A J Roberts - Director

16th September 2020

REPORT OF THE DIRECTORS
for the Year Ended 31st December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019. Some disclosures that would normally be included in the Directors' Report are included in the Strategic Report.

DIVIDENDS
No dividends will be distributed for the year ended 31st December 2019.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st January 2019 to the date of this report.

Mr A J Roberts
Mr D R Bennett

CHARITY AND POLITICAL DONATIONS
Donations were made during the year totalling £560 (2018 - £865).

GOING CONCERN
The directors take all reasonable steps to review and consider any factors that may affect the ability of the company to continue as a going concern. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is able to generate sufficient liquidity to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing of these financial statements.

After the reporting date the World Health Organisation declared a global pandemic for COVID-19, which has had a dramatic effect on the global economy. The directors consider that the situation could represent an ongoing challenge to the company's product supply, customer demand in 2020. The directors considers the company is financially sound business with a diverse customer base and will continue to closely monitor the situation and react accordingly. The directors have assessed the impact of the pandemic and concluded that it will not compromise the company's ability to continue as a going concern.

FINANCIAL RISK MANAGEMENT AND POLICIES

The main financial risks arising from the company's operations are credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Credit risk
The company's principal financial assets are cash and trade receivables.

To address credit risks the directors engage a significant internal credit control function with clear procedures and controls designed to assess, manage, and mitigate credit risk.

Currency risk
The company primarily trades in GBP and is therefore not subject to any major currency fluctuation risks.

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short term flexibility is achieved by an invoice finance facility.

KEY PERFORMANCE INDICATORS
The company's key performance indicators are described in the Strategic Report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE
The company maintains insurance cover for the directors and key personnel against liabilities which may be incurred by them while carrying out their duties.

EMPLOYEE INVOLVEMENT AND POLICIES
Our employees are our most valuable asset. They make an enormous difference to our success and our investment in them protects and strengthens our common goals. We aim to attract, motivate and retain the best people in our industry, regardless of race, age or disability. The company provides its employees with information and consults with staff on matters of concern to them. We share with them our strategy and decision making. Our employee survey captures their views and is a key component in how we track employee engagement.

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by disabled person. Where existing employees become disabled, it is the company's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The directors would like to thank our staff for the support, commitment and enthusiasm shown last year.

OTHER STAKEHOLDERS
Customers and suppliers are central to our business, without them we would not exist. We engage and build relationships via face to face interactions, promotional activity and open days. We constantly strive to improve our working relationship with both suppliers and customers to ensure our continued strength and growth.

The company's supplier payment policy is to agree terms and conditions for business transactions with suppliers.
Suppliers are made aware of the company's terms and payment is made according to those terms.

HUMAN TRAFFICKING AND ANTI-SLAVERY
The company is committed to ensuring that it is free from acts of modern slavery from within its own business and within its supply chain. The company acknowledges responsibility for implementing the requirements of the Modern Slavery Act 2015 and will ensure transparency within the organisation and with suppliers of goods and services to the organisation.

As part of the company's due diligence process into slavery and human trafficking, the supplier approval process will require all suppliers to confirm that they are compliant with the requirements of the Act. The company will not support or deal with any business knowingly involved in slavery or human trafficking.

The company directors and senior management will take responsibility for enhancing this policy statement and its objectives, and shall provide adequate training to ensure that, wherever possible, slavery and human trafficking is not taking place within the organisation or within its supply chains.

The company reserves the right to conduct audits of key suppliers to ensure compliance with the Avoira Limited supplier code of conduct. These audits can be done either by Avoira employees or by contracted, independent third parties or a combination. We expect our suppliers to respect human rights, including maintaining policies and procedures to prevent the use of child or forced labour.

EVENTS AFTER THE REPORTING PERIOD

On 11 March 2020 the World Health Organisation declared a global pandemic in relation to a disease named "COVID-19" and this has had a dramatic effect on the global economy, and the potential to negatively impact the sales and profitability of the company in 2020.

The circumstances that led to the potential negative impact of the pandemic did not exist at the reporting date and therefore the effects of the pandemic are a non-adjusting post reporting date event. The directors has protected the business by focusing on the management of working capital whilst being careful not to disrupt long term customer and supplier relationships and used the support offered by governments as necessary. The directors have assessed the impact of the pandemic and concluded that it will not compromise the company's ability to continue as a going concern. However, a reliable estimate of the full financial impact of the COVID-19 pandemic cannot be quantified.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the Company's state of affairs in future financial years.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
Under section 487(2) of the Companies Act 2006 Kay Johnson Gee Limited, will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

ON BEHALF OF THE BOARD:

Mr A J Roberts - Director

16th September 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AVOIRA LIMITED

Opinion
We have audited the financial statements of Avoira Limited (the 'company') for the year ended 31st 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 31st December 2019 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 Auditors' 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 six, 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 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 a Report of the Auditors 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 Report of the Auditors.

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.

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 a Report of the Auditors 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.

Roger Blaskey (Senior Statutory Auditor)
for and on behalf of Kay Johnson Gee Limited
Chartered Accountants and Statutory Auditors
1 City Road East
Manchester
M15 4PN

16th September 2020

PROFIT AND LOSS ACCOUNT
for the Year Ended 31st December 2019

	Notes	2019 £	2018 £
TURNOVER	4	**11,726,070**	9,492,698
Cost of sales		**(5,365,467)**	(4,223,893)
GROSS PROFIT		**6,360,603**	5,268,805
Administrative expenses		**(5,449,633)**	(4,610,659)
OPERATING PROFIT	6	**910,970**	658,146
Interest receivable and similar income		**-**	300
		910,970	658,446
Interest payable and similar expenses	7	**(696)**	(1,729)
PROFIT BEFORE TAXATION		**910,274**	656,717
Tax on profit	8	**(205,606)**	(91,132)
PROFIT FOR THE FINANCIAL YEAR		**704,668**	565,585
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**704,668**	565,585

The notes form part of these financial statements

BALANCE SHEET
31st December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	**477,932**	469,228
Tangible assets	10	**1,151,107**	1,230,020
		1,629,039	1,699,248
CURRENT ASSETS			
Stocks	11	**468,901**	373,135
Debtors	12	**3,065,980**	1,585,994
Cash at bank and in hand		**1,154,461**	942,125
		4,689,342	2,901,254
CREDITORS			
Amounts falling due within one year	13	**(4,754,611)**	(3,786,968)
NET CURRENT LIABILITIES		**(65,269)**	(885,714)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,563,770**	813,534
CREDITORS			
Amounts falling due after more than one year	14	**-**	(577)
PROVISIONS FOR LIABILITIES	17	**(105,060)**	(58,915)
NET ASSETS		**1,458,710**	754,042
CAPITAL AND RESERVES			
Called up share capital	18	**4,000**	4,000
Retained earnings		**1,454,710**	750,042
SHAREHOLDERS' FUNDS		**1,458,710**	754,042

The notes form part of these financial statements

continued...

The financial statements were approved by the Board of Directors and authorised for issue on 16th September 2020
and were signed on its behalf by:

Mr A J Roberts - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31st December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2018	4,000	184,457	188,457
Profit for the year	-	565,585	565,585
Total comprehensive income	-	565,585	565,585
Balance at 31st December 2018	4,000	750,042	754,042
Profit for the year	-	704,668	704,668
Total comprehensive income	-	704,668	704,668
Balance at 31st December 2019	4,000	1,454,710	1,458,710

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Pennine Telecom Limited is a private company limited by share capital, incorporated in England and Wales,
registration number 01763970. The address of the registered office and principle place of business is Pennine
House, Salford Street, Bury BL9 6YA.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial
statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of
Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements
The financial statements contain information about Avoira Limited as an individual company and do not
contain consolidated financial information as the parent of a group. The company is exempt under Section
400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and
its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its
parent, Nycomm Holdings Limited, Nycomm House, Agecroft Road, Pendlebury, Swinton, Manchester M27
8SB.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The
Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party
transactions with wholly owned subsidiaries within the group.

Turnover
Turnover represents amounts recognised by the company in respect of goods and services supplied, exclusive
of value added tax and trade discounts. Turnover principally consists of telecommunications equipment which
are recognised at the point of which the goods and/or services are provided.

Goodwill
Goodwill, being the amount paid in connection with the acquisitions of a businesses in 2017 and 2018, are
being amortised evenly over there useful estimated life of ten years.

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2. **ACCOUNTING POLICIES - continued**

Business combinations
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost
less any accumulated amortisation and any accumulated impairment losses.

Business combinations are accounted for using the purchase method. The consideration for each acquisition is
measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed,
and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly
attributable to the business combination. When a business combination agreement provides for an
adjustment to the cost of the combination contingent on future events, the group includes the estimated
amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable
and can be measured reliably.

Computer software
Computer software purchased in 2018 is being amortised evenly over its estimated useful life of 7 years.

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

Depreciation on plant and equipment is charged to the profit and loss so as to write off their value, over their
estimated useful lives, using the following method

Plant & Machinery - 5-7 years straight line
Fixtures & Fittings - 7 years straight line
Office Equipment - 33% straight line
Motor Vehicles - 25% straight line

At each balance sheet date, the Company reviews the carrying amounts of its tangible fixed assets to
determine whether there is any indication that any items have suffered an impairment loss. If any such
indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the
impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the
Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of
the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Stocks
Stocks are 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.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct
labour costs and those overheads that have been incurred in bringing the inventories to their present location
and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying
amount is reduced to its selling price less costs to complete and sell: the impairment loss is recognised

immediately in the profit or loss.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are included in the profit or loss account.

Pension costs and other post-retirement benefits

The obligations for contributions to defined contribution scheme are recognised as an expense as incurred.
The assets of the scheme are held separately from those of the Company in an independent administered fund.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

continued...

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies above, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

There are currently the following types of provisions:

Stock provision
The company provides for obsolete and slow moving stock as and when required. The provision at year end was £255,969 (2018: £200,434).

Bad debt provision
The company provides for potential bad debt as and when required.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Goods	5,001,131	3,500,819
Services	6,724,939	5,991,879
	11,726,070	9,492,698

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
United Kingdom	11,436,561	9,347,884
Europe	187,357	50,864
Rest of the world	102,152	93,950
	11,726,070	9,492,698

continued...

5. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	**3,218,409**	2,508,047
Social security costs	**347,863**	293,660
Other pension costs	**126,434**	106,778
	3,692,706	2,908,485

The average number of employees during the year was as follows:

	2019	2018
Production	**29**	29
Administration	**15**	15
Distribution	**57**	30
	101	74

	2019	2018
	£	£
Directors' remuneration	**57,457**	40,800

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	**481,976**	469,277
Profit on disposal of fixed assets	**(48,195)**	(23,362)
Goodwill amortisation	**49,507**	48,964
Computer software amortisation	**17,200**	1,654
Auditors' remuneration	**22,075**	33,800
Foreign exchange differences	**6,079**	(720)

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	**-**	1
Hire purchase	**696**	1,728
	696	1,729

continued...

8. **TAXATION**

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	**143,676**	163,222
Corporation tax prior years	**15,785**	(23,409)
Total current tax	**159,461**	139,813
Deferred tax	**46,145**	(48,681)
Tax on profit	**205,606**	91,132

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is
explained below:

	2019	2018
	£	£
Profit before tax	**910,274**	656,717
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	**172,952**	124,776
Effects of:		
Expenses not deductible for tax purposes	**2,236**	1,879
Income not taxable for tax purposes	**(10,755)**	(4,439)
Capital allowances in excess of depreciation	**(20,757)**	-
Depreciation in excess of capital allowances	**-**	58,680
Adjustments to tax charge in respect of previous periods	**15,785**	(23,409)
Deferred tax movement	**46,145**	(48,681)
Research and development	**-**	(17,674)
Total tax charge	**205,606**	91,132

 continued...

9. **INTANGIBLE FIXED ASSETS**

	Goodwill £	Computer software £	Totals £
COST			
At 1st January 2019	488,402	79,660	568,062
Additions	-	75,411	75,411
At 31st December 2019	488,402	155,071	643,473
AMORTISATION			
At 1st January 2019	97,180	1,654	98,834
Amortisation for year	49,507	17,200	66,707
At 31st December 2019	146,687	18,854	165,541
NET BOOK VALUE			
At 31st December 2019	341,715	136,217	477,932
At 31st December 2018	391,222	78,006	469,228

10. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2019	3,984,967	1,153,970	42,899	5,181,836
Additions	322,329	46,223	52,202	420,754
Disposals	(60,770)	-	-	(60,770)
At 31st December 2019	4,246,526	1,200,193	95,101	5,541,820
DEPRECIATION				
At 1st January 2019	2,866,770	1,055,503	29,543	3,951,816
Charge for year	418,166	47,485	16,325	481,976
Eliminated on disposal	(43,079)	-	-	(43,079)
At 31st December 2019	3,241,857	1,102,988	45,868	4,390,713
NET BOOK VALUE				
At 31st December 2019	1,004,669	97,205	49,233	1,151,107
At 31st December 2018	1,118,197	98,467	13,356	1,230,020

 continued...

11. STOCKS

	2019	2018
	£	£
Work-in-progress	**126,383**	-
Finished goods	**342,518**	373,135
	468,901	373,135

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	**2,659,921**	1,201,379
Amounts owed by group undertakings	**-**	3,205
Other debtors	**3,168**	2,760
Prepayments and accrued income	**402,891**	378,650
	3,065,980	1,585,994

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Hire purchase contracts (see note 15)	**-**	3,244
Trade creditors	**1,002,312**	878,241
Amounts owed to group undertakings	**1,779,926**	1,363,728
Tax	**143,676**	144,784
Social security and other taxes	**100,258**	72,356
VAT	**444,887**	251,281
Other creditors	**22,519**	54,583
Accrued expenses	**1,261,033**	1,018,751
	4,754,611	3,786,968

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Amounts owed to group undertakings	**-**	577

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	**-**	3,244

continued...

15. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	**138,748**	57,899
Between one and five years	**129,616**	229,181
	268,364	287,080

16. SECURED DEBTS

The company is party to a composite agreement with its bankers to secure the net bank indebtedness of the
group. There is a fixed an floating charge registered in favour of The National Westminster Bank PLC dated
26th May 2017, over the undertaking and all property and assets present and future.

17. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax	**105,060**	58,915

	Deferred tax
	£
Balance at 1st January 2019	**58,915**
Provided during year	**46,145**
Balance at 31st December 2019	**105,060**

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2019**	2018
			£	£
4,000	Ordinary	£1.00	**4,000**	4,000

19. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately
from those of the company in an independently administered fund. The pension cost charge represents
contributions payable by the company to the fund and amounted to £126,434 (2018 - £106,778).
Contributions totalling £26,765 (2018 - £14,488) were payable to the fund at the balance sheet date and are
included in creditors.

continued...

20. **RELATED PARTY DISCLOSURES**

During the year the company made sales to Bolton College, whom A Roberts is a director totalling £88,739
(2018 - £85,507). These sales were on normal commercial terms and the company was owed £NIL (2018 -
£837), at the balance sheet date.

21. **ULTIMATE CONTROLLING PARTY**

The ultimate parent entity is Nycomm Holdings Limited, which is next senior parent for which publicly
available consolidated financial statements are prepared which include the results of Avoira Limited. Nycomm
Holdings Limited is the parent of the smallest and largest group for which consolidated financial statements
are prepared, The parent's company's registered office is Agecroft Road, Pendlebury, Swinton, Manchester,
Lancashire, M27 8SB. The consolidated financial statements can be obtained from Companies House.

The company's ultimate controlling party are the Trustees of the Estate of Julian Howard Niman, by virtue of
their majority shareholding in Nycomm Holdings Limited.