

**Strategic Report, Report of the Directors and**  
**Financial Statements**  
**for the Year Ended 30 April 2020**  
**for**  
**Eggleston Steel Limited**

**Contents of the Financial Statements**  
**for the Year Ended 30 April 2020**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**Eggleston Steel Limited**  
**Company Information**  
**for the Year Ended 30 April 2020**

**DIRECTORS:** A W J Hewitt  
Mrs A E Hewitt  
R J Hewitt  
Mrs P E Broadgate  
A C Hewitt  
Mrs S Hewitt  
J A Ready

**SECRETARY:** Mrs S Hewitt

**REGISTERED OFFICE:** The Mills  
Canal Street  
Derby  
DE1 2RJ

**BUSINESS ADDRESS:** Centurion Way Business Park  
Alfreton Road  
Derby  
DE21 4AY

**REGISTERED NUMBER:** 00797154 (England and Wales)

**AUDITORS:** Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

**Strategic Report**  
**for the Year Ended 30 April 2020**

The directors present their strategic report for the year ended 30 April 2020.

**REVIEW OF BUSINESS**

Turnover has decreased by 6.8% from £8.31m to £7.74m, due to there being no trade for the whole month of April due to the company shutting down towards the end of March due to COVID-19. The directors' strategy is focusing on high levels of customer service which is continuing to generate repeat business. Profiling income has decreased by 1.6% from 2019 (2019: 10.3% increase from 2018). The increase in profiling capabilities continues to attract customers to the company, though this resulted in less ancillary sales than 2019.

The gross profit margin has increased by 2.9% to 28.9% (2019: 26.0%). The company operates in a highly competitive industry and customers are constantly demanding better prices due to their awareness of changes in the commodity price of steel in the media. The profiling division attracts higher margins, however this has been partly offset against fluctuating commodity prices in 2019 and 2020.

The company is continually investing in its staff and plant and machinery in order to maintain its efficiencies and competitiveness.

The directors are satisfied with the year-end financial position in the current economic climate.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the company and the execution of the company's strategy are subject to several risks. The company continues to face challenges from global steel price fluctuations as a result of Brexit and tight margins on sales. Steel prices are monitored by the directors with any necessary action undertaken.

The company is continually updating plans to manage the COVID-19 situation with social distancing measures in place and staff on furlough. These measures ensure that the company is well placed to deal with the disruption brought on by the pandemic.

**ORGANISATION**

The directors continue to monitor the company's organisation and profitability in light of changes within a highly competitive industry. Changes are implemented where deemed appropriate in order to minimise the effects of the risks and uncertainties the company faces in retaining market share and maintaining margins.

**FINANCIAL INSTRUMENTS**

The company uses basic financial instruments, comprising hire purchase and banking facilities. The main purpose of the financial instruments is to provide working capital and finance for the company's operations and improvements.

**KEY PERFORMANCE INDICATORS**

Performance is measured by debtor days, sales margins by customer and bank balance. The company also feels it key to monitor costs against income. These costs are monitored through the review of the monthly management accounts.

**ON BEHALF OF THE BOARD:**

R J Hewitt - Director

23 September 2020

**Report of the Directors  
for the Year Ended 30 April 2020**

The directors present their report with the financial statements of the company for the year ended 30 April 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a steel service centre with related processing services.

**DIVIDENDS**

Interim dividends per share were paid during the year as follows:

A Ordinary £1	- £28.59649	- 1 May 2019
B Ordinary £1	- £6.66666	- 1 May 2019

The total distribution of dividends for the year ended 30 April 2020 will be £ 178,000 .

**DIRECTORS**

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

A W J Hewitt  
Mrs A E Hewitt  
R J Hewitt  
Mrs P E Broadgate  
A C Hewitt  
Mrs S Hewitt  
J A Ready

**DISCLOSURE IN THE STRATEGIC REPORT**

The matters required to be disclosed under SI (2008) 410 Sch 7 relating to financial instruments are contained within the Strategic Report as applicable in accordance with s414C(11) of the Companies Act 2006.

**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). 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.

**Report of the Directors**  
**for the Year Ended 30 April 2020**

**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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

R J Hewitt - Director

23 September 2020

## Report of the Independent Auditors to the Members of Eggleston Steel Limited

### **Opinion**

We have audited the financial statements of Eggleston Steel Limited (the 'company') for the year ended 30 April 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

## Report of the Independent Auditors to the Members of Eggleston Steel Limited

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report 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 three, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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.

Ian Neal FCA CTA (Senior Statutory Auditor)  
for and on behalf of Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

12 October 2020

**Profit and Loss Account**  
**for the Year Ended 30 April 2020**

	Notes	2020 £	£	2019 £	£
<b>TURNOVER</b>			7,743,984		8,312,274
Cost of sales			<u>5,507,040</u>		<u>6,151,021</u>
<b>GROSS PROFIT</b>			2,236,944		2,161,253
Distribution costs		4,492		2,659	
Administrative expenses		<u>1,947,699</u>		<u>1,864,039</u>	
			<u>1,952,191</u>		<u>1,866,698</u>
			284,753		294,555
Other operating income			<u>6,895</u>		<u>10,602</u>
<b>OPERATING PROFIT</b>	4		291,648		305,157
Interest payable and similar expenses	5		<u>111,777</u>		<u>83,073</u>
<b>PROFIT BEFORE TAXATION</b>			179,871		222,084
Tax on profit	6		<u>45,521</u>		<u>54,446</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			134,350		167,638
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME</b>			-		-
<b>FOR THE YEAR</b>			<u>134,350</u>		<u>167,638</u>

**Eggleston Steel Limited (Registered number: 00797154)**

**Balance Sheet**  
**30 April 2020**

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		3,516,484		2,824,686
<b>CURRENT ASSETS</b>					
Stocks	9	695,896		828,024	
Debtors	10	1,432,371		1,954,728	
Cash in hand		<u>3,799</u>		<u>4,777</u>	
		2,132,066		2,787,529	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>1,655,788</u>		<u>2,326,500</u>	
<b>NET CURRENT ASSETS</b>			<u>476,278</u>		<u>461,029</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,992,762		3,285,715
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(1,818,772)		(1,166,595)
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>(249,290)</u>		<u>(150,770)</u>
<b>NET ASSETS</b>			<u>1,924,700</u>		<u>1,968,350</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		26,000		26,000
Retained earnings	18		<u>1,898,700</u>		<u>1,942,350</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,924,700</u>		<u>1,968,350</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2020 and were signed on its behalf by:

R J Hewitt - Director

**Statement of Changes in Equity**  
**for the Year Ended 30 April 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 May 2018</b>	26,000	1,929,712	1,955,712
<b>Changes in equity</b>			
Dividends	-	(155,000)	(155,000)
Total comprehensive income	-	167,638	167,638
<b>Balance at 30 April 2019</b>	<u>26,000</u>	<u>1,942,350</u>	<u>1,968,350</u>
<b>Changes in equity</b>			
Dividends	-	(178,000)	(178,000)
Total comprehensive income	-	134,350	134,350
<b>Balance at 30 April 2020</b>	<u>26,000</u>	<u>1,898,700</u>	<u>1,924,700</u>

**Cash Flow Statement  
for the Year Ended 30 April 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	893,110	357,187
Interest paid		(65,777)	(65,481)
Interest element of hire purchase payments paid		(42,419)	(20,858)
Tax paid		(54,920)	(68,783)
Net cash from operating activities		<u>729,994</u>	<u>202,065</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,181,853)	(20,267)
Sale of tangible fixed assets		187,421	32,309
Net cash from investing activities		<u>(994,432)</u>	<u>12,042</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(38,344)	(38,193)
Finance advances in year		1,046,621	-
Finance repayments in year		(252,513)	(232,308)
Amount introduced by directors		178,000	211,946
Amount withdrawn by directors		(170,254)	(165,207)
Equity dividends paid		(178,000)	(155,000)
Net cash from financing activities		<u>585,510</u>	<u>(378,762)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>321,072</u>	<u>(164,655)</u>
<b>Cash and cash equivalents at beginning of year</b>	21	(889,340)	(724,685)
<b>Cash and cash equivalents at end of year</b>	21	<u>(568,268)</u>	<u>(889,340)</u>

**Notes to the Financial Statements**  
**for the Year Ended 30 April 2020**

**1. STATUTORY INFORMATION**

Eggleston Steel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**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.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes for the provision of goods and services. Turnover is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment. These criteria are considered to be met when the goods and services are delivered to the buyer.

**Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the profit and loss account.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for unsaleable and slow moving items. Cost is determined on a first in first out basis using purchase invoice price. Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal.

At each reporting date, stock is assessed for impairment. If stock is 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 and loss account.

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax arises from timing differences that are differences between taxable total profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is recognised only when it is more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences and losses can be deducted.

Provision is made at current rates for taxation deferred in respect of all material timing differences.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period using the effective rate of interest. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plans are held separately from the company in independently administered funds.

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

**2. ACCOUNTING POLICIES - continued**

**Grants**

Revenue grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate. Capital grants are deferred and recognised over the useful economic lives of the assets affected.

**Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies the directors are required to make judgement estimates and assumptions about the carrying amounts of the company's assets and liabilities. These are based on historical experience and other factors that are considered relevant and are reviewed on a regular basis and recognised in the period in which the estimate is revised. Actual results may differ from these estimates.

The following are the critical judgements and where relevant the key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful economic lives taking into account their residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

The recoverability of debtors is assessed on the likelihood and circumstances of the particular cost.

The value of stock is assessed for impairment. In reassessing the stock value, factors such as slow movement and saleability are taken into account.

**3. EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	1,385,686	1,444,162
Social security costs	138,067	134,262
Other pension costs	106,773	100,091
	<u>1,630,526</u>	<u>1,678,515</u>

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

	2020	2019
Directors	7	7
Warehouse	27	27
Drivers	6	5
Administration	15	15
	<u>55</u>	<u>54</u>

	2020	2019
	£	£
Directors' remuneration	123,528	129,194
Directors' pension contributions to money purchase schemes	<u>34,397</u>	<u>31,124</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2020	2019
	£	£
Lorry operating lease payments	17,674	17,674
Rent operating lease payments	90,000	90,000
Depreciation - owned assets	125,461	110,348
Depreciation - assets on hire purchase contracts	158,786	133,126
Loss on disposal of fixed assets	18,387	3,885
Auditors' remuneration	8,400	7,371
Auditors' remuneration for non audit work	<u>15,480</u>	<u>14,529</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Bank charges and interest	62,849	59,287
Hire purchase interest	42,419	20,858
Other interest	<u>6,509</u>	<u>2,928</u>
	<u>111,777</u>	<u>83,073</u>

**6. TAXATION**

**Analysis of the tax charge**

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	(54,919)	53,000
Adjustment re prior year	<u>1,920</u>	<u>(217)</u>
Total current tax	(52,999)	52,783
Deferred tax	<u>98,520</u>	<u>1,663</u>
Tax on profit	<u>45,521</u>	<u>54,446</u>

**Notes to the Financial Statements - continued  
for the Year Ended 30 April 2020**

**6. TAXATION - continued**

**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:

	2020 £	2019 £
Profit before tax	<u>179,871</u>	<u>222,084</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	34,175	42,196
Effects of:		
Expenses not deductible for tax purposes	2,261	822
Income not taxable for tax purposes	(1,310)	(2,014)
Adjustments to tax charge in respect of previous periods	1,920	(217)
Other permanent differences	8,475	13,659
Total tax charge	<u>45,521</u>	<u>54,446</u>

**7. DIVIDENDS**

	2020 £	2019 £
A Ordinary shares of £1 each Interim	163,000	140,000
B Ordinary shares of £1 each Interim	<u>15,000</u>	<u>15,000</u>
	<u>178,000</u>	<u>155,000</u>

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 May 2019	2,133,514	2,572,290	186,280
Additions	-	1,180,710	603
Disposals	-	(486,800)	-
At 30 April 2020	<u>2,133,514</u>	<u>3,266,200</u>	<u>186,883</u>
<b>DEPRECIATION</b>			
At 1 May 2019	450,120	1,490,798	143,216
Charge for year	35,470	236,214	8,703
Eliminated on disposal	-	(284,354)	-
At 30 April 2020	<u>485,590</u>	<u>1,442,658</u>	<u>151,919</u>
<b>NET BOOK VALUE</b>			
At 30 April 2020	<u>1,647,924</u>	<u>1,823,542</u>	<u>34,964</u>
At 30 April 2019	<u>1,683,394</u>	<u>1,081,492</u>	<u>43,064</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

**8. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 May 2019	21,030	106,842	5,019,956
Additions	-	540	1,181,853
Disposals	<u>(13,950)</u>	<u>(1,560)</u>	<u>(502,310)</u>
At 30 April 2020	<u>7,080</u>	<u>105,822</u>	<u>5,699,499</u>
<b>DEPRECIATION</b>			
At 1 May 2019	10,707	100,429	2,195,270
Charge for year	1,754	2,106	284,247
Eliminated on disposal	<u>(10,640)</u>	<u>(1,508)</u>	<u>(296,502)</u>
At 30 April 2020	<u>1,821</u>	<u>101,027</u>	<u>2,183,015</u>
<b>NET BOOK VALUE</b>			
At 30 April 2020	<u>5,259</u>	<u>4,795</u>	<u>3,516,484</u>
At 30 April 2019	<u>10,323</u>	<u>6,413</u>	<u>2,824,686</u>

Included in cost of land and buildings is freehold land of £ 360,000 (2019 - £ 360,000 ) which is not depreciated.

The net book value of tangible fixed assets includes £ 1,333,074 (2019 - £ 730,743 ) in respect of assets held under hire purchase contracts.

**9. STOCKS**

	2020 £	2019 £
Goods for resale	<u>695,896</u>	<u>828,024</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	1,228,502	1,747,451
Other debtors	102,113	151,295
Directors' loan accounts	-	7,548
Tax	54,919	-
Prepayments	<u>46,837</u>	<u>48,434</u>
	<u>1,432,371</u>	<u>1,954,728</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Bank loans and overdrafts (see note 13)	617,259	929,216
Hire purchase contracts (see note 14)	213,920	126,287
Trade creditors	551,814	1,057,935
Tax	-	53,000
Social security and other taxes	164,856	46,259
Other creditors	25,127	23,129
Directors' loan accounts	52,997	52,799
Accrued expenses	23,954	30,980
Deferred grants	5,861	6,895
	<u>1,655,788</u>	<u>2,326,500</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Bank loans (see note 13)	838,287	886,724
Hire purchase contracts (see note 14)	947,273	240,798
Deferred grants	33,212	39,073
	<u>1,818,772</u>	<u>1,166,595</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	572,067	894,117
Bank loans	45,192	35,099
	<u>617,259</u>	<u>929,216</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	46,265	39,406
Amounts falling due between two and five years:		
Bank loans - 2-5 years	145,495	125,556
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	646,527	721,762

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

**14. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	213,920	126,287
Between one and five years	947,273	240,798
	<u>1,161,193</u>	<u>367,085</u>
	Non-cancellable	operating leases
	2020	2019
	£	£
Within one year	141,205	149,238
Between one and five years	42,330	183,536
	<u>183,535</u>	<u>332,774</u>

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdrafts	572,067	894,117
Bank loans	883,479	921,823
Hire purchase contracts	1,161,193	367,085
	<u>2,616,739</u>	<u>2,183,025</u>

The bank borrowings are secured on the freehold property of the company and by a fixed and floating debenture over the assets of the company.

Hire purchase creditors are secured on the assets to which they relate.

**16. PROVISIONS FOR LIABILITIES**

	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	<u>249,290</u>	<u>150,770</u>
		Deferred tax
		£
Balance at 1 May 2019		150,770
Provided during year		98,520
Balance at 30 April 2020		<u>249,290</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
18,050	Ordinary	£1	18,050	18,050
5,700	A Ordinary	£1	5,700	5,700
2,250	B Ordinary	£1	2,250	2,250
			<u>26,000</u>	<u>26,000</u>

**18. RESERVES**

	Retained earnings £
At 1 May 2019	1,942,350
Profit for the year	134,350
Dividends	<u>(178,000)</u>
At 30 April 2020	<u>1,898,700</u>

**19. EMPLOYEE BENEFITS**

Included in the notes to the financial statements are payments to the defined contribution pension schemes.

**20. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020 £	2019 £
Profit before taxation	179,871	222,084
Depreciation charges	284,247	243,474
Loss on disposal of fixed assets	18,387	3,885
Government grants	(6,895)	(10,602)
Finance costs	<u>111,777</u>	<u>83,073</u>
	587,387	541,914
Decrease in stocks	132,128	70,771
Decrease/(increase) in trade and other debtors	569,728	(403,545)
(Decrease)/increase in trade and other creditors	<u>(396,133)</u>	<u>148,047</u>
<b>Cash generated from operations</b>	<u>893,110</u>	<u>357,187</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2020**

21. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 April 2020**

	30.4.20 £	1.5.19 £
Cash and cash equivalents	3,799	4,777
Bank overdrafts	<u>(572,067)</u>	<u>(894,117)</u>
	<u>(568,268)</u>	<u>(889,340)</u>

**Year ended 30 April 2019**

	30.4.19 £	1.5.18 £
Cash and cash equivalents	4,777	3,372
Bank overdrafts	<u>(894,117)</u>	<u>(728,057)</u>
	<u>(889,340)</u>	<u>(724,685)</u>

22. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.5.19 £	Cash flow £	At 30.4.20 £
<b>Net cash</b>			
Cash at bank and in hand	4,777	(978)	3,799
Bank overdrafts	<u>(894,117)</u>	<u>322,050</u>	<u>(572,067)</u>
	<u>(889,340)</u>	<u>321,072</u>	<u>(568,268)</u>
<b>Debt</b>			
Finance leases	(367,085)	(794,108)	(1,161,193)
Debts falling due within 1 year	(35,099)	(10,093)	(45,192)
Debts falling due after 1 year	<u>(886,724)</u>	<u>48,437</u>	<u>(838,287)</u>
	<u>(1,288,908)</u>	<u>(755,764)</u>	<u>(2,044,672)</u>
<b>Total</b>	<u>(2,178,248)</u>	<u>(434,692)</u>	<u>(2,612,940)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.