COMPANY REGISTRATION NUMBER: 04364685

SWM & WASTE RECYCLING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021

Peplows Limited
Registered Auditors and Chartered Accountants
Moorgate House
King Street
Newton Abbot
Devon
TQ12 2LG

SWM & WASTE RECYCLING LIMITED
CONTENTS

SWM & WASTE RECYCLING LIMITED
COMPANY INFORMATION

Directors	Mr M E Mogford Mr R J Penfold Mr S R Akers
Registered office	Gratton Way Roundswell Business Park Barnstaple Devon EX31 3NL
Auditors	Peplows Limited Registered Auditors and Chartered Accountants Moorgate House King Street Newton Abbot Devon TQ12 2LG

The directors present their strategic report for the year ended 31 March 2021.

Fair review of the business

The main activities of the company continue to be the recycling of scrap metal and waste including cardboard and plastics. Specifically, the company will transform scrap metal and waste into useful resources safely, compliantly, sustainably and economically.

The company aims to maintain its position as one of the leading Total Waste Management companies in the South West by providing customers with cost effective and sustainable waste management solutions that work in tandem with excellent customer service. The Directors wish to grow the business by focussing on the expansion of core recycling activities and by developing innovative recycling solutions that add value throughout supply chains.

The Directors are further committed to developing the business through the implementation of sustainable waste recycling solutions that exceed customer expectations and extend recycling capability and options. This will be achieved through a combination of innovation, staff training, flexible work practices and investment in people, plant and equipment.

Principal risks and uncertainties

The company's principal operational risks include the supply and demand for scrap metal, exposure to fluctuating global metal prices, market competition and the Health and Safety of employees.

Leaving the European Union (Brexit) was one of the most significant events in the UKs recent history, however its effect on these financial statements is uncertain and it is likely that the real impact will not be known for some time. Therefore the impact on the company's future performance is similarly unknown and uncertain and may take several years to become clear.

The company manages the risk from exposure to global metal markets by fixing purchase and sales contracts, monitoring market sentiment and watching market reaction. Additionally, price fluctuations are managed by tight control of prices paid and careful evaluation of margins. The company will continue to diversify its customer base and service offering to provide additional protection against market changes.

The company will continue to manage the operational risk from Coronavirus by following Government Guidance, ensuring employees are trained in cross-functional skills to provide cover for absenteeism and illness, flexible working arrangements including home working where appropriate and support from an approved network of third party service providers. The Directors are enormously proud of the team at SWM that delivered day after day and contributed to the successful performance of the company during a year impacted by the Coronavirus pandemic and associated lockdown measures, and they remain confident that the practices developed during the year will ensure that the Company can continue to meet the needs of its stakeholders in the future.

The Health, Safety and well-being of employees is managed by a proactive and consultative approach which includes a robust Management System that is externally audited, Risk Assessments, regular audits conducted by internal and external auditors and access to an Occupational Health Practitioner.

The company manages liquidity risk through a combination of planned provision which includes access to Government and lender facilities, careful cash management, prudent investment and restructuring.

Development and performance
The Directors are determined that the company will continue to develop sustainably, therefore cost controls, re-structuring and investment throughout the year will assist in improving operational effectiveness and ensure a continuation of the company's profitability.

The company's customer base, and supply chain is in the main UK based, so whilst the company is prepared for an increase in administrative procedures, the impact of Brexit on day to day trading is expected to be minimal. Low market confidence leading to reduced economic activity and a contraction of the economy is seen as a greater area for concern.

This especially relates to the ongoing situation regarding the COVID - 19 pandemic. However, the company's supply of services to critical sectors such as medical, food and engineering will help to ensure a continuation of acceptable trading.

The company is ensuring that suitable resource exists to cover absenteeism due to any need for staff members to self-isolate and will if necessary use industry partners to avoid service disruption.

In the event of a more serious down turn the company has made provision through a combination of contingency plans including government and lender available facilities, careful cash management and re-structuring.

Analysis based on Key performance Indicators
The Directors monitor company performance by preparing annual budgets, and by using a number of key financial performance indicators, including but not restricted to;

- Turnover for year of £11,526,524 (forecast £8,841,693).
- Staff costs as a % of turnover of 16.33% (forecast 18.81%).
- Transport costs as a % of turnover of 4.27% (forecast 5.39%).

Approved by the Board on 5 November 2021 and signed on its behalf by:

....
Mr M E Mogford
Director

SWM & WASTE RECYCLING LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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

Mr M E Mogford

Mr R J Penfold

Mr S R Akers

Dividends
The directors recommend a final dividend payment of £51,813 be made in respect of the financial year ended 31 March 2021. This dividend has not been recognised as a liability in the financial statements.

Future developments
We are looking to streamline the business by moving operations to a purpose built site which will mean that we will be reviewing the use of the current freehold and leasehold properties owned by the company.

In a very competitive market in which metal prices quickly change, we are aware that we need to streamline the company's operations to ensure that our position in the industry is maintained in the short-term to be able to grow the business in the long-term

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

Approved by the Board on 5 November 2021 and signed on its behalf by:

....
Mr M E Mogford
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWM & WASTE RECYCLING LIMITED

Opinion

We have audited the financial statements of SWM & Waste Recycling Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and loss account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
•the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
•we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the recycling sector;
•we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including data protection, employment, environmental and health and safety legislation;
•we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
•identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
•making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
•considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
•reviewing the operation, via testing and/or discussing with management, of internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
•performed analytical procedures to identify any unusual or unexpected relationships;
•tested journal entries (including movements in accruals and prepayments) to identify unusual transactions;
•assessed whether judgements and assumptions made in determining the accounting estimates made by the company were indicative of potential bias;
•investigated the rationale behind significant or unusual transactions; and
•reviewing the records past the accounting date for any indication of transactions that should be reflected in these accounts.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
•agreeing financial statement disclosures to underlying supporting documentation;
•reading the minutes of meetings of those charged with governance;
•enquiring of management as to actual and potential litigation and claims;
•reviewing any relevant correspondence with HMRC, relevant regulators (Environment agency) and the company's legal advisors; and
•searching online for details of any potential breaches or incidents.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peplows

....

Michael Young BSC FCA (Senior Statutory Auditor)
For and on behalf of Peplows Limited, Statutory Auditor

Moorgate House
King Street
Newton Abbot
Devon
TQ12 2LG

5 November 2021

SWM & WASTE RECYCLING LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	(As restated) 2020 £
Turnover	3	**11,526,524**	10,922,991
Cost of sales		**(8,189,995)**	(7,735,261)
Gross profit		3,336,529	3,187,730
Administrative expenses		**(2,727,386)**	(2,807,954)
Other operating income	4	**192,816**	60,738
Operating profit	5	**801,959**	440,514
Other interest receivable and similar income	6	**93**	199
Interest payable and similar charges	7	**(16,322)**	(28,722)
		(16,229)	(28,523)
Profit before tax		**785,730**	411,991
Taxation	11	**(287,032)**	(73,537)
Profit for the financial year		**498,698**	338,454

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

SWM & WASTE RECYCLING LIMITED
(REGISTRATION NUMBER: 04364685)
BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	(As restated) 2020 £
Fixed assets			
Tangible assets	13	**3,843,514**	2,398,962
Current assets			
Stocks	14	**119,163**	20,770
Debtors	15	**2,695,294**	1,736,600
Cash at bank and in hand		**1,997,296**	1,038,624
		4,811,753	2,795,994
Creditors: Amounts falling due within one year	17	**(3,307,225)**	(1,533,753)
Net current assets		**1,504,528**	1,262,241
Total assets less current liabilities		**5,348,042**	3,661,203
Creditors: Amounts falling due after more than one year	17	**(1,175,682)**	(259,398)
Provisions for liabilities	18	**(372,515)**	(82,564)
Net assets excluding pension asset/(liability)		**3,799,845**	3,319,241
Net pension asset 1	19	**15,894**	-
Net assets		**3,815,739**	3,319,241
Capital and reserves			
Called up share capital	22	**1,400**	1,400
Profit and loss account		**3,814,339**	3,317,841
Total equity		**3,815,739**	3,319,241

The notes on pages 16 to 32 form an integral part of these financial statements.

SWM & WASTE RECYCLING LIMITED
(REGISTRATION NUMBER: 04364685)
BALANCE SHEET AS AT 31 MARCH 2021

Approved and authorised for issue by the Board on 5 November 2021 and signed on its behalf by:

....
Mr M E Mogford
Director

....
Mr R J Penfold
Director

....
Mr S R Akers
Director

The notes on pages 16 to 32 form an integral part of these financial statements.

SWM & WASTE RECYCLING LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	**1,400**	**3,040,626**	3,042,026
Prior period adjustment	-	**277,215**	277,215
At 1 April 2020	**1,400**	**3,317,841**	3,319,241
Profit for the year	-	**498,698**	498,698
Total comprehensive income	-	**498,698**	498,698
Dividends	-	**(2,200)**	(2,200)
At 31 March 2021	1,400	**3,814,339**	3,815,739

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	**1,400**	**2,779,768**	2,781,168
Prior period adjustment	-	**229,619**	229,619
At 1 April 2019 (As restated)	**1,400**	**3,009,387**	3,010,787
Profit for the year	-	**338,454**	338,454
Total comprehensive income	-	**338,454**	338,454
Dividends	-	**(30,000)**	(30,000)
At 31 March 2020	1,400	3,317,841	3,319,241

The notes on pages 16 to 32 form an integral part of these financial statements.

SWM & WASTE RECYCLING LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	(As restated) 2020 £
Cash flows from operating activities			
Profit for the year		**498,698**	338,454
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	**383,345**	401,276
Profit on disposal of tangible assets		**(77,967)**	(13,000)
Finance income	6	**(93)**	(199)
Finance costs	7	**16,322**	28,722
Income tax expense	11	**287,032**	73,537
		1,107,337	828,790
Working capital adjustments			
(Increase)/decrease in stocks	14	**(98,393)**	93,761
(Increase)/decrease in trade debtors	15	**(958,694)**	576,452
Increase/(decrease) in trade creditors	17	**1,610,335**	(258,452)
Cash generated from operations		**1,660,585**	1,240,551
Income taxes paid	11	**-**	(205,314)
Net cash flow from operating activities		**1,660,585**	1,035,237
Cash flows from investing activities			
Interest received	6	**93**	199
Acquisitions of tangible assets		**(1,813,506)**	(154,095)
Proceeds from sale of tangible assets		**81,300**	13,000
Net cash flows from investing activities		**(1,732,113)**	(140,896)
Cash flows from financing activities			
Interest paid	7	**(16,322)**	(28,722)
Proceeds from bank borrowing draw downs		**1,250,000**	-
Repayment of bank borrowing		**-**	(41,051)
Payments to finance lease creditors		**(201,278)**	(270,492)
Dividends paid	23	**(2,200)**	(30,000)
Net cash flows from financing activities		**1,030,200**	(370,265)
Net increase in cash and cash equivalents		**958,672**	524,076
Cash and cash equivalents at 1 April		**1,038,624**	514,548
Cash and cash equivalents at 31 March		**1,997,296**	1,038,624

The notes on pages 16 to 32 form an integral part of these financial statements.

1 General information

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

The address of its registered office is:
Gratton Way
Roundswell Business Park
Barnstaple
Devon
EX31 3NL
United Kingdom

These financial statements were authorised for issue by the Board on 5 November 2021.

2 Accounting policies

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

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

Basis of preparation
These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in Sterling and rounded to the nearest full £.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax.
The company recognises revenue when:
The income is recognised once the goods have passed over the weigh bridge for despatch.
The rental income is recognised on a time apportioned basis.

Government grants - Furlough scheme
The company has received government grants due to the impact of COVID-19 and to support staff via the furlough scheme.

Income from government and other grants are recognised at fair value when the company has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

There are no unfulfilled conditions relating to these grants.

The company has also benefited from a reduction in its business rates and the granting of a CBILs loan as additional Government support for the impacts of COVID-19.

Foreign currency transactions and balances
Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Land and buildings	Freehold - Buildings straight line over 50 years and land not depreciated
Land and buildings	Leasehold - over the remaining period of the lease
Furniture, fittings and equipment	Straight line over 5 years
Motor vehicles	Staright line over 5 and 10 years
Other property, plant and equipment	Straight line over 5 and 10 years

Goodwill
Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation. Goodwill is amortised over its useful life.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors
Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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 profit or loss.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date.

Trade creditors are recognised at the transaction price.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

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

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

Share capital
Ordinary shares are classified as equity.

Dividends
Dividend distributions to the company's shareholders are recognised in the financial statements of the reporting period in which the dividends are declared.

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

3 Revenue

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

	2021	2020
	£	£
Rendering of services	**637,354**	521,130
Sale of goods	**10,889,170**	10,401,861
	11,526,524	10,922,991

4 Other operating income

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

	2021 £	2020 £
Government grants	**134,541**	-
Rental income	**58,275**	60,738
	192,816	60,738

5 Operating profit

Arrived at after charging/(crediting)

	2021 £	(As restated) 2020 £
Depreciation expense	**383,345**	401,276
Foreign exchange losses/(gains)	**304**	(542)
Operating lease expense - property	**261,180**	234,891
Operating lease expense - plant and machinery	**84,629**	171,940
Profit on disposal of property, plant and equipment	**(77,967)**	(13,000)

6 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	**93**	199

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	**-**	236
Interest on obligations under finance leases and hire purchase contracts	**16,322**	28,486
	16,322	28,722

8 Staff costs

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

	2021 £	2020 £
Wages and salaries	**1,598,421**	1,740,614
Social security costs	**129,760**	139,419
Pension costs, defined contribution scheme	**154,108**	123,746
	1,882,289	2,003,779

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

	2021 No.	2020 No.
Production	**44**	54
Administration and support	**14**	19
Other departments	**3**	3
	61	76

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	**179,665**	170,737
Contributions paid to money purchase schemes	**90,652**	8,187
	270,317	178,924

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	**3**	3

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	**64,250**	64,245
Company contributions to money purchase pension schemes	**87,151**	3,509

10 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	**10,800**	10,750

11 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	**12,975**	82,649
Deferred taxation		
Arising from origination and reversal of timing differences	**231,351**	(19,897)
Arising from changes in tax rates and laws	**42,706**	10,785
Total deferred taxation	**274,057**	(9,112)
Tax expense in the income statement	287,032	73,537

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	(As restated) 2020 £
Profit before tax	**785,730**	411,991
Corporation tax at standard rate	**149,289**	78,278
Effect of expense not deductible in determining taxable profit (tax loss)	**424**	-
Decrease from tax losses for which no deferred tax asset was recognised	**(7,299)**	(6,483)
Tax increase from effect of capital allowances and depreciation	**109,875**	1,742
Tax increase from other short-term timing differences	**34,743**	-
Total tax charge	287,032	73,537

Deferred tax

Deferred tax assets and liabilities

2021	Asset £	Liability £
	-	372,515
	15,894	-
	15,894	372,515

2020	Liability £
	82,564
	-
	82,564

There are £529,771 of unused tax losses (2020 - £568,185) for which no deferred tax asset is recognised in the Balance Sheet.

The company has non-trading corporation tax losses carried forward as at 31 March 2021 of £529,771 (2020 - £568,185). It is anticipated that losses of £34,000 will be utilised in the next 12 months.

12 Intangible assets

	Goodwill £	Total £
Cost		
At 1 April 2020	**512,208**	512,208
At 31 March 2021	**512,208**	512,208
Amortisation		
At 1 April 2020	**512,208**	512,208
At 31 March 2021	**512,208**	512,208
Carrying amount		
At 31 March 2021	-	-

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost					
At 1 April 2020	1,248,447	200,190	859,180	3,481,173	5,788,990
Additions	19,085	4,318	138,587	1,669,240	1,831,230
Disposals	-	-	(56,500)	(208,000)	(264,500)
At 31 March 2021	1,267,532	204,508	941,267	4,942,413	7,355,720
Depreciation					
At 1 April 2020	368,805	187,816	618,855	2,214,552	3,390,028
Charge for the year	487	5,648	120,606	256,604	383,345
Eliminated on disposal	-	-	(53,167)	(208,000)	(261,167)
At 31 March 2021	369,292	193,464	686,294	2,263,156	3,512,206
Carrying amount					
At 31 March 2021	898,240	11,044	254,973	2,679,257	3,843,514
At 31 March 2020	879,642	12,374	240,325	1,266,621	2,398,962

Included within the net book value of land and buildings above is £879,642 (2020 - £879,642) in respect of freehold land and buildings and £18,598 (2020 - £Nil) in respect of long leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021	2020
	£	£
Motor vehicles on HP	79,945	147,944
Plant and machinery on HP	378,519	521,732
	458,464	669,676

Restriction on title and pledged as security

Plant and machinery with a carrying amount of £378,519 (2020 - £521,732) has been pledged as security for HP finaance.

Motor vehicles with a carrying amount of £79,945 (2020 - £147,944) has been pledged as security for HP finance.

Freehold land & buildings with a carrying amount of £1,116,636 (2020 - £879,642) has been pledged as security for bank finance.

Other plant, machinery, vehicles and fixtures with a carrying amount of £2,161,999 (2020 - £572,429) has been pledged as security for bank finance.

14 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	**119,163**	20,770

15 Debtors

	2021	2020
	£	£
Trade debtors	**2,408,928**	1,439,010
Other debtors	**3,050**	2,209
Prepayments	**283,316**	295,381
	2,695,294	1,736,600

The carrying amount of trade debtors pledged as security for liabilities amounted to £2,408,928 (2020 - £1,439,010).

The bank holds the company's book debts as part of its security for bank finance.

16 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	**4,292**	7
Cash at bank	**1,993,004**	1,038,617
	1,997,296	1,038,624

17 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	20	**376,608**	226,446
Trade creditors		**2,093,745**	942,945
Social security and other taxes		**461,526**	232,575
Outstanding defined contribution pension costs		**89,723**	6,502
Other payables		**1,848**	3,592
Accruals		**188,151**	39,044
Income tax liability	11	**95,624**	82,649
		3,307,225	1,533,753
Due after one year			
Loans and borrowings	20	**1,175,682**	259,398

18 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2020	**82,564**	**82,564**
Additional provisions	**263,878**	**263,878**
Increase (decrease) in existing provisions	**26,073**	**26,073**
At 31 March 2021	**372,515**	**372,515**

19 Pension and other schemes

Defined contribution pension scheme

The company contributes to a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £154,108 (2020 - £123,746).

Contributions totalling £89,723 (2020 - £6,502) were payable to the scheme at the end of the year and are included in creditors.

A deferred tax asset of £15,894 has been recognised in respect of pension costs unpaid at 31 March 2021. The asset will be reliased in the year ended 31 March 2022 following payment of the pension contribution.

20 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	**187,500**	-
Hire purchase contracts	**189,108**	226,446
	376,608	226,446

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	**1,062,500**	-
Hire purchase contracts	**113,182**	259,398
	1,175,682	259,398

Bank borrowings
CBILs loan is denominated in £ with a nominal interest rate of base plus 3.81%, and the final instalment is due on 24 June 2026. The carrying amount at year end is £1,250,000 (2020 - £Nil).

The loan is secured by a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery.

The loan has no repayments for the first 12 months and then the loan is paid in instalments over 60 months

Included in the loans and borrowings are the following amounts due after more than five years:

	2021	2020
	£	£
After more than five years by instalments	62,500	-

Bank borrowings and debenture loans after five years
Details of the CBILs loan due > 5 years are included above.

21 Obligations under leases and hire purchase contracts

Finance leases
Fixed assets held on HP agreements are payable over an intial term up to 60 months. The creditors are secured on the assets financed.

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	189,108	259,398
Later than one year and not later than five years	113,182	226,446
	302,290	485,844

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	**140,568**	**144,039**
Later than one year and not later than five years	**555,463**	**505,517**
Later than five years	**1,064,900**	**1,094,791**
	1,760,931	**1,744,347**

The amount of non-cancellable operating lease payments recognised as an expense during the year was £333,059 (2020 - £406,831).

22 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	**£**	**No.**	**£**
Ordinary shares of £1 each	1,200	1,200	1,200	1,200
A Ordinary shares of £1 each	100	100	100	100
B Ordinary shares of £1 each	100	100	100	100
	1,400	1,400	1,400	1,400

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
Return of capital On return of capital a sale, liquidation or otherwise (except on a purchase by the Company of any Shares), the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the holders of the Shares pro-rata and pari passu with each class to be treated equally according to the amount paid up or credited as paid on each such share.

Voting On a written resolution and at a resolution passed at a general meeting, every Shareholder holding one or more Ordinary Shares on the date on which the resolution shall have one vote (in person or by proxy) for each Ordinary Share held by them. .

B Ordinary shares have the following rights, preferences and restrictions:
Return of capital: On return of capital a sale, liquidation or otherwise (except on a purchase by the Company of any Shares), the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the holders of the Shares pro-rata and pari passu with each class to be treated equally according to the amount paid up or credited as paid on each such share.

C Ordinary shares have the following rights, preferences and restrictions:
Return of capital: On return of capital a sale, liquidation or otherwise (except on a purchase by the Company of any Shares), the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the holders of the Shares pro-rata and pari passu with each class to be treated equally according to the amount paid up or credited as paid on each such share.

23 Dividends

Interim dividends paid

	2021	2020
	£	£
Interim dividend of £22 (2020 - £500) per each Ordinary B shares	2,200	30,000

Recommended final dividends paid and not recognised in the accounts

The directors are recommending the following final dividends:

£400 (2020 - £-) per each Ordinary A share totalling £40,000 (2020 - £-)
£236 (2020 - £-) per each Ordinary B share totalling £11,813 (2020 - £-)

These dividends have not been accrued in the Balance Sheet.

24 Analysis of changes in net debt

	At 1 April 2020 £	Financing cash flows £	New finance leases £	At 31 March 2021 £
Cash and cash equivalents				
Cash	1,038,624	958,672	-	1,997,296
Borrowings				
Long term borrowings	-	(1,062,500)	-	(1,062,500)
Short term borrowings	-	(187,500)	-	(187,500)
Lease liabilities	(485,844)	201,278	(17,724)	(302,290)
	(485,844)	(1,048,722)	(17,724)	(1,552,290)
	552,780	(90,050)	(17,724)	445,006

25 Related party transactions

Other transactions with directors

A director owns a yard used by the company and received rent during the year amounting to £13,008 (2020 - £10,758).

Two directors jointly own property used by the company and received rent during the year amounting to £80,000 (2020 - £80,000).

Two directors have provided personal guarantees in respect of a property leased by the company, with a total commitment of £1,396,707 (2020 - £1,341,666).

Directors have recieved dividends in the year of £2,200 (2020 - £30,000).

26 Prior year adjustment

The company has overstated the past depreciation charges as these were calculated without taking account of the residual values. The prior year adjustment has resulted in a reduction of the depreciation charge in the year ended 31 March 2020 by £47,596. The opening reserves as at 1 April 2019 have been increased by £229,619 and at 1 April 2020 by £277,215. There is no corporation tax impact from this adjustment. Deferred tax has reduced by £9,043 for the year ended 31 March 2020 and the opening reserves have decreased by £52,671 as at 1 April 2020 and by £43,628 as at 1 April 2019.