

**Company Registration No. 01200293 (England and Wales)**

**G. & M.J. CROUCH & SON LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2020**

# G. & M.J. CROUCH & SON LIMITED

## COMPANY INFORMATION

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|--------------------------|--|
| <b>Directors</b>         | A J Crouch<br>R L Guerriero  |
| <b>Secretary</b>         | Mrs B Crouch   |
| <b>Company number</b>    | 01200293   |
| <b>Registered office</b> | Wilford House<br>Nursery Court<br>Kibworth Harcourt<br>Leicestershire<br>LE8 0EX     |
| <b>Auditor</b>           | Newby Castleman LLP<br>West Walk Building<br>110 Regent Road<br>Leicester<br>LE1 7LT |
| <b>Business address</b>  | Wilford House<br>Nursery Court<br>Kibworth Harcourt<br>Leicestershire<br>LE8 0EX     |

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# **G. & M.J. CROUCH & SON LIMITED**

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# **G. & M.J. CROUCH & SON LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

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

#### **Review of the business**

The principal activity of the company continues to be that of motor vehicle recovery.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As for many businesses of our size, the business environment in which we operate continues to be challenging. In light of the challenging business environment and competitive nature of the industry, we consider the company's results for the year and its financial position at the year end to be satisfactory and believe that the company is well placed to react quickly to any changes in trading conditions and to take advantage of any business opportunities that may arise.

#### **Principal risks and uncertainties**

We continually monitor the principal risks and uncertainties of the business and seek to mitigate any such risks.

The company operates in a highly competitive industry. The company responds to this risk by continually improving operational effectiveness, providing a strong brand identity and investing in the future of the business.

The directors have considered the impact of the Covid-19 pandemic, and note that this has not had a significant impact on the company's operations and financial results during this financial period or post year end but the company made use of the Coronavirus Job Retention Scheme. The directors also believe that there are unlikely to be any future material impacts on the company as a result of the ongoing Covid-19 pandemic. The directors have implemented operational changes to protect the wellbeing of staff and clients. The directors continue to monitor the situation and will take action as appropriate.

#### **Key performance indicators**

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, being turnover and net profit.

Turnover has increased to £19,668,988 (2019: £16,128,911) showing the strength of the company's growing business. The gross profit margin has remained consistent with the previous year at 48.8% (2019: 48.5%). Overall there has been an increase in profit before taxation to £3,337,790 (2019: £2,639,047).

On behalf of the board

A J Crouch  
**Director**  
1 March 2021

# G. & M.J. CROUCH & SON LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2020

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

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A J Crouch  
R L Guerriero

#### **Results and dividends**

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £1,500,000. The directors do not recommend payment of a final dividend.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors 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 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.

#### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of important events occurring since the year end.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

A J Crouch                      1 March 2021  
**Director**

# **G. & M.J. CROUCH & SON LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF G. & M.J. CROUCH & SON LIMITED**

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#### **Opinion**

We have audited the financial statements of G. & M.J. Crouch & Son Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the 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 FRS 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **G. & M.J. CROUCH & SON LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF G. & M.J. CROUCH & SON LIMITED**

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##### **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 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 directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

##### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

**Paul Barnett FCCA (Senior Statutory Auditor)**

**for and on behalf of Newby Castleman LLP**

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

3 March 2021

## G. & M.J. CROUCH & SON LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2020

|  | Notes     | 2020<br>£               | 2019<br>£               |
|--|-----------|-------------------------|-------------------------|
| <b>Turnover</b>                        | <b>3</b>  | 19,668,988              | 16,128,911              |
| Cost of sales                          |           | (10,063,628)            | (8,307,609)             |
| <b>Gross profit</b>                    |           | <u>9,605,360</u>        | <u>7,821,302</u>        |
| Administrative expenses                |           | (6,298,808)             | (5,182,426)             |
| Other operating income/(expenses)      |           | 24,310                  | (1,531)                 |
| <b>Operating profit</b>                | <b>4</b>  | <u>3,330,862</u>        | <u>2,637,345</u>        |
| Interest receivable and similar income | <b>7</b>  | 6,928                   | 3,500                   |
| Interest payable and similar expenses  | <b>8</b>  | -                       | (1,798)                 |
| <b>Profit before taxation</b>          |           | <u>3,337,790</u>        | <u>2,639,047</u>        |
| Taxation                               | <b>9</b>  | (651,048)               | (507,416)               |
| <b>Profit for the financial year</b>   |           | <u>2,686,742</u>        | <u>2,131,631</u>        |
| Retained earnings brought forward      |           | 4,015,958               | 3,884,327               |
| Dividends                              | <b>10</b> | (1,500,000)             | (2,000,000)             |
| Retained earnings carried forward      |           | <u><u>5,202,700</u></u> | <u><u>4,015,958</u></u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# G. & M.J. CROUCH & SON LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2020

|   |       | 2020               |                  | 2019               |                  |
|---|-------|--------------------|------------------|--------------------|------------------|
|   | Notes | £                  | £                | £                  | £                |
| <b>Fixed assets</b>                                   |       |                    |                  |                    |                  |
| Tangible assets                                       | 11    | 4,284,839          |                  | 3,208,135          |                  |
| Investments   | 12    |                    | 10               |                    | 10               |
|   |       | <u>4,284,849</u>   |                  | <u>3,208,145</u>   |                  |
| <b>Current assets</b>                                 |       |                    |                  |                    |                  |
| Stocks  |       | 43,325             |                  | 15,500             |                  |
| Debtors   | 14    | 4,771,168          |                  | 3,994,163          |                  |
| Cash at bank and in hand                              |       | <u>3,576,801</u>   |                  | <u>2,296,864</u>   |                  |
|   |       | 8,391,294          |                  | 6,306,527          |                  |
| <b>Creditors: amounts falling due within one year</b> | 15    | <u>(7,205,880)</u> |                  | <u>(5,380,763)</u> |                  |
| <b>Net current assets</b>                             |       |                    | <u>1,185,414</u> |                    | <u>925,764</u>   |
| <b>Total assets less current liabilities</b>          |       |                    | <u>5,470,263</u> |                    | <u>4,133,909</u> |
| <b>Provisions for liabilities</b>                     | 16    |                    | <u>(264,563)</u> |                    | <u>(114,951)</u> |
| <b>Net assets</b>                                     |       |                    | <u>5,205,700</u> |                    | <u>4,018,958</u> |
| <b>Capital and reserves</b>                           |       |                    |                  |                    |                  |
| Called up share capital                               | 19    |                    | 3,000            |                    | 3,000            |
| Profit and loss reserves                              | 20    |                    | <u>5,202,700</u> |                    | <u>4,015,958</u> |
| <b>Total equity</b>                                   |       |                    | <u>5,205,700</u> |                    | <u>4,018,958</u> |

The financial statements were approved by the board of directors and authorised for issue on 1 March 2021 and are signed on its behalf by:

A J Crouch  
Director

R L Guerriero  
Director

Company Registration No. 01200293

## G. & M.J. CROUCH & SON LIMITED

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

|   |       | 2020        |                    | 2019        |                    |
|---|-------|-------------|--------------------|-------------|--------------------|
|   | Notes | £           | £                  | £           | £                  |
| <b>Cash flows from operating activities</b>               |       |             |                    |             |                    |
| Cash generated from operations                            | 25    |             | 3,742,503          |             | 3,227,357          |
| Interest paid   |       |             | -                  |             | (1,798)            |
| Income taxes paid   |       |             | (510,461)          |             | (586,559)          |
| <b>Net cash inflow from operating activities</b>          |       |             | <b>3,232,042</b>   |             | <b>2,639,000</b>   |
| <b>Investing activities</b>                               |       |             |                    |             |                    |
| Purchase of tangible fixed assets                         |       | (1,932,848) |                    | (1,908,909) |                    |
| Proceeds on disposal of tangible fixed assets             |       | 4,001       |                    | 339,500     |                    |
| Proceeds from/ (repayment) of other investments and loans |       | (30,186)    |                    | 2,465       |                    |
| Interest received   |       | 6,928       |                    | 3,500       |                    |
| <b>Net cash used in investing activities</b>              |       |             | <b>(1,952,105)</b> |             | <b>(1,563,444)</b> |
| <b>Financing activities</b>                               |       |             |                    |             |                    |
| Repayment of borrowings                                   |       | -           |                    | (105,056)   |                    |
| <b>Net cash used in financing activities</b>              |       |             | <b>-</b>           |             | <b>(105,056)</b>   |
| <b>Net increase in cash and cash equivalents</b>          |       |             | <b>1,279,937</b>   |             | <b>970,500</b>     |
| Cash and cash equivalents at beginning of year            |       |             | 2,296,864          |             | 1,326,364          |
| <b>Cash and cash equivalents at end of year</b>           |       |             | <b>3,576,801</b>   |             | <b>2,296,864</b>   |

# G. & M.J. CROUCH & SON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Company information

G. & M.J. Crouch & Son Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office and the place of business is given in the company information page of these financial statements.

##### 1.1 Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for motor vehicle recovery services provided in the normal course of business, which is recognised on the date of recovery net of VAT and trade discounts.

##### 1.3 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                                |                                     |
|--------------------------------|-------------------------------------|
| Leasehold improvements         | Over the life of the lease          |
| Plant and machinery            | 15% per annum of net book value     |
| Fixtures, fittings & equipment | 15%/33% per annum of net book value |
| Motor vehicles                 | 20% per annum of net book value     |

The depreciation policy for motor vehicles has been amended during the year. The policy has been reduced from 25% per annum of net book value to 20% per annum of net book value. The policy change is due to the reconsideration of the useful life of the motor vehicles held.

##### 1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

##### 1.5 Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

##### 1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

## **G. & M.J. CROUCH & SON LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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#### **1 Accounting policies (Continued)**

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### **1.7 Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.8 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.9 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

|   | 2020       | 2019       |
|---|------------|------------|
|   | £          | £          |
| <b>Turnover analysed by class of business</b> |            |            |
| Motor vehicle recovery                        | 19,668,988 | 16,128,911 |

|                                  | 2020   | 2019   |
|----------------------------------|--------|--------|
|                                  | £      | £      |
| <b>Other significant revenue</b> |        |        |
| Interest income                  | 6,928  | 3,500  |
| Grants received                  | 19,093 | -      |
| Rental income                    | 40,212 | 31,469 |

|   | 2020       | 2019       |
|---|------------|------------|
|   | £          | £          |
| <b>Turnover analysed by geographical market</b> |            |            |
| United Kingdom                                  | 19,668,988 | 16,128,911 |

#### 4 Operating profit

|   | 2020     | 2019      |
|---|----------|-----------|
|   | £        | £         |
| Operating profit for the year is stated after charging/(crediting):                       |          |           |
| Government grants   | (19,093) | -         |
| Fees payable to the company's auditor for the audit of the company's financial statements | 12,000   | 12,000    |
| Depreciation of owned tangible fixed assets   | 948,604  | 1,054,951 |
| Loss/(profit) on disposal of tangible fixed assets  | 7,539    | (258,917) |
| Operating lease charges   | 220,316  | 217,742   |

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

|                            | 2020   | 2019   |
|----------------------------|--------|--------|
|                            | Number | Number |
| Managerial/ Administrative | 15     | 16     |
| Controllers                | 20     | 10     |
| Workshop                   | 10     | 9      |
| Recovery                   | 48     | 46     |
| Total                      | 93     | 81     |

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

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#### 5 Employees (Continued)

Their aggregate remuneration comprised:

|                       | 2020             | 2019             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,670,292        | 2,910,167        |
| Social security costs | 379,990          | 310,406          |
| Pension costs         | 71,328           | 36,305           |
|                       | <u>4,121,610</u> | <u>3,256,878</u> |

#### 6 Directors' remuneration

|   | 2020           | 2019           |
|---|----------------|----------------|
|   | £              | £              |
| Remuneration for qualifying services                          | 148,504        | 173,464        |
| Company pension contributions to defined contribution schemes | 1,316          | 390            |
|   | <u>149,820</u> | <u>173,854</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

#### 7 Interest receivable and similar income

|                           | 2020         | 2019         |
|---------------------------|--------------|--------------|
|                           | £            | £            |
| <b>Interest income</b>    |              |              |
| Interest on bank deposits | 6,468        | 3,500        |
| Other interest income     | 460          | -            |
|                           | <u>6,928</u> | <u>3,500</u> |

Investment income includes the following:

|  |              |              |
|--|--------------|--------------|
| Interest on financial assets not measured at fair value through profit or loss | <u>6,468</u> | <u>3,500</u> |
|--|--------------|--------------|

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

| 8 | Interest payable and similar expenses                                | 2020                  | 2019                  |
|---|--|-----------------------|-----------------------|
|   |  | £                     | £                     |
|   | <b>Interest on financial liabilities measured at amortised cost:</b> |                       |                       |
|   | Other interest on financial liabilities                              | -                     | 1,428                 |
|   | <b>Other finance costs:</b>  |                       |                       |
|   | Other interest   | -                     | 370                   |
|   |  | <u>-</u>              | <u>1,798</u>          |
|   |  | <u><u>-</u></u>       | <u><u>1,798</u></u>   |
| 9 | <b>Taxation</b>  | 2020                  | 2019                  |
|   |  | £                     | £                     |
|   | <b>Current tax</b>   |                       |                       |
|   | UK corporation tax on profits for the current period                 | 524,530               | 517,617               |
|   | Adjustments in respect of prior periods                              | (23,094)              | -                     |
|   | Total current tax  | <u>501,436</u>        | <u>517,617</u>        |
|   |  | <u><u>501,436</u></u> | <u><u>517,617</u></u> |
|   | <b>Deferred tax</b>  |                       |                       |
|   | Origination and reversal of timing differences                       | 149,612               | (10,201)              |
|   |  | <u>149,612</u>        | <u>(10,201)</u>       |
|   | Total tax charge   | <u>651,048</u>        | <u>507,416</u>        |
|   |  | <u><u>651,048</u></u> | <u><u>507,416</u></u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

|  | 2020                  | 2019                  |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| Profit before taxation   | <u>3,337,790</u>      | <u>2,639,047</u>      |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | 634,180               | 501,419               |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 1,786                 | 3,927                 |
| Depreciation on assets not qualifying for tax allowances   | 1,558                 | 1,677                 |
| Under/(over) provided in prior years   | (2,431)               | -                     |
| Deferred tax adjustments in respect of prior years   | 15,955                | (13,524)              |
| Other tax adjustments  | -                     | 13,917                |
| Taxation charge for the year   | <u>651,048</u>        | <u>507,416</u>        |
|  | <u><u>651,048</u></u> | <u><u>507,416</u></u> |

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 10 Dividends

|               | 2020<br>£ | 2019<br>£ |
|---------------|-----------|-----------|
| Ordinary paid | 1,500,000 | 2,000,000 |

#### 11 Tangible fixed assets

|                                    | Leasehold<br>improvements<br>£ | Plant and<br>machinery<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|------------------------------------|--------------------------------|-----------------------------|---|------------------------|------------|
| <b>Cost</b>                        |                                |                             |   |                        |            |
| At 1 April 2019                    | 28,137                         | 332,514                     | 771,876                                   | 6,632,042              | 7,764,569  |
| Additions                          | -                              | 95,407                      | 74,281                                    | 1,867,160              | 2,036,848  |
| Disposals                          | -                              | -                           | -   | (47,613)               | (47,613)   |
| At 31 March 2020                   | 28,137                         | 427,921                     | 846,157                                   | 8,451,589              | 9,753,804  |
| <b>Depreciation and impairment</b> |                                |                             |   |                        |            |
| At 1 April 2019                    | 4,689                          | 150,273                     | 422,328                                   | 3,979,144              | 4,556,434  |
| Depreciation charged in the year   | 4,689                          | 27,336                      | 109,611                                   | 806,968                | 948,604    |
| Eliminated in respect of disposals | -                              | -                           | -   | (36,073)               | (36,073)   |
| At 31 March 2020                   | 9,378                          | 177,609                     | 531,939                                   | 4,750,039              | 5,468,965  |
| <b>Carrying amount</b>             |                                |                             |   |                        |            |
| At 31 March 2020                   | 18,759                         | 250,312                     | 314,218                                   | 3,701,550              | 4,284,839  |
| At 31 March 2019                   | 23,448                         | 182,241                     | 349,548                                   | 2,652,898              | 3,208,135  |

#### 12 Fixed asset investments

|                             | Note | 2020<br>£ | 2019<br>£ |
|-----------------------------|------|-----------|-----------|
| Investments in subsidiaries | 13   | 10        | 10        |

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 12 Fixed asset investments (Continued)

##### Movements in fixed asset investments

|                                 | Shares in group<br>undertakings |
|---------------------------------|---------------------------------|
|                                 | £                               |
| <b>Cost or valuation</b>        |                                 |
| At 1 April 2019 & 31 March 2020 | 10                              |
|                                 | <hr style="width: 100%;"/>      |
| <b>Carrying amount</b>          |                                 |
| At 31 March 2020                | 10                              |
|                                 | <hr style="width: 100%;"/>      |
| At 31 March 2019                | 10                              |
|                                 | <hr style="width: 100%;"/>      |

#### 13 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

| Name of undertaking           | Registered office | Class of<br>shares held | % Held<br>Direct |
|-------------------------------|-------------------|-------------------------|------------------|
| Court Bros (Kibworth) Limited | England and Wales | Ordinary                | 100.00           |

#### 14 Debtors

|                                      | 2020                       | 2019                       |
|--------------------------------------|----------------------------|----------------------------|
| Amounts falling due within one year: | £                          | £                          |
| Trade debtors                        | 4,474,945                  | 3,733,561                  |
| Other debtors                        | 52,706                     | 3,778                      |
| Prepayments and accrued income       | 243,517                    | 256,824                    |
|                                      | <hr style="width: 100%;"/> | <hr style="width: 100%;"/> |
|                                      | 4,771,168                  | 3,994,163                  |
|                                      | <hr style="width: 100%;"/> | <hr style="width: 100%;"/> |

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 15 Creditors: amounts falling due within one year

|                                    | 2020             | 2019             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade creditors                    | 2,768,197        | 2,110,696        |
| Amounts owed to group undertakings | 3,375,004        | 2,492,720        |
| Corporation tax                    | 200,877          | 209,902          |
| Other taxation and social security | 700,124          | 460,261          |
| Other creditors                    | 13,355           | 7,709            |
| Accruals and deferred income       | 148,323          | 99,475           |
|                                    | <u>7,205,880</u> | <u>5,380,763</u> |

The company's indebtedness to its parent undertaking is secured by a fixed and floating legal charge over all assets of the company.

#### 16 Provisions for liabilities

|                          | Note | 2020           | 2019           |
|--------------------------|------|----------------|----------------|
|                          |      | £              | £              |
| Deferred tax liabilities | 17   | 264,563        | 114,951        |
|                          |      | <u>264,563</u> | <u>114,951</u> |

#### 17 Deferred taxation

The following are the major deferred tax liabilities recognised by the company and movements thereon:

|                                | Liabilities<br>2020 | Liabilities<br>2019 |
|--------------------------------|---------------------|---------------------|
|                                | £                   | £                   |
| <b>Balances:</b>               |                     |                     |
| Accelerated capital allowances | 264,563             | 114,951             |
|                                | <u>264,563</u>      | <u>114,951</u>      |
| <b>Movements in the year:</b>  |                     | 2020                |
|                                |                     | £                   |
| Liability at 1 April 2019      |                     | 114,951             |
| Charge to profit or loss       |                     | 149,612             |
|                                |                     | <u>264,563</u>      |
| Liability at 31 March 2020     |                     | <u>264,563</u>      |

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

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| <b>18 Retirement benefit schemes</b>                                | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
| <b>Defined contribution schemes</b>                                 | <b>£</b>      | <b>£</b>      |
| Charge to profit or loss in respect of defined contribution schemes | 71,328        | 36,305        |
|   | <u>71,328</u> | <u>36,305</u> |

The company operates a defined contribution pension schemes for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

| <b>19 Share capital</b>          | <b>2020</b>  | <b>2019</b>  |
|----------------------------------|--------------|--------------|
| <b>Ordinary share capital</b>    | <b>£</b>     | <b>£</b>     |
| <b>Issued and fully paid</b>     |              |              |
| 3,000 Ordinary Shares of £1 each | 3,000        | 3,000        |
|                                  | <u>3,000</u> | <u>3,000</u> |

The company has one class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

#### **20 Profit and loss reserves**

The profit and loss reserve comprises retained profits and losses for the current and prior periods.

#### **21 Events after the reporting date**

The COVID-19 pandemic has not had a significant impact on the company's operations or financial results during this financial period or post year end. The company made use of the Coronavirus Job Retention Scheme. The company is continuing to monitor the situation and will take action as appropriate.

#### **22 Related party transactions**

##### **Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

|                        | <b>2020</b>    | <b>2019</b>    |
|------------------------|----------------|----------------|
|                        | <b>£</b>       | <b>£</b>       |
| Aggregate compensation | 593,221        | 644,548        |
|                        | <u>593,221</u> | <u>644,548</u> |

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 22 Related party transactions

(Continued)

##### Other information

During the year, purchases totalling £6,820 (2019 - £59,400) and management charges totalling £39,000 (2019 - £39,000) were made from a company which is owned by a director. At the year end, a balance of £486 owed to this company (2019 - £591 owed from the company).

During the year, rental charges of £34,995 (2019 - £33,000) were incurred from the David Crouch Pension Scheme where a director is a beneficiary. Interest of £nil (2019 - £1,428) was charged.

During the year, remuneration of £37,927 (2019 - £35,732) was paid to close family members of the directors and key management personnel.

The company has taken advantage of the exemption offered by FRS 102 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

#### 23 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

| Description | % Rate | Opening balance<br>£ | Amounts advanced<br>£ | Amounts repaid<br>£ | Closing balance<br>£ |
|-------------|--------|----------------------|-----------------------|---------------------|----------------------|
| Director    | -      | 2,862                | 178,928               | (148,742)           | 33,048               |
|             |        | <u>2,862</u>         | <u>178,928</u>        | <u>(148,742)</u>    | <u>33,048</u>        |

##### Other transactions

During the year, fixed assets of £104,000 (2019 - £nil) were purchased from a director.

#### 24 Ultimate controlling party

The ultimate parent company is Crouch Corporate Limited, a company registered in England and Wales. A J Crouch is the ultimate controlling party through his controlling interest in Crouch Corporate Limited.

The registered office of Crouch Corporate Limited is the same as the company's registered office address given in the company information page of these financial statements.

Copies of the ultimate parent company's consolidated financial statements can be obtained from Companies House, Cardiff.

## G. & M.J. CROUCH & SON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

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|  |                  |                  |
|--|------------------|------------------|
| <b>25 Cash generated from operations</b>             |                  |                  |
|  | <b>2020</b>      | <b>2019</b>      |
|  | <b>£</b>         | <b>£</b>         |
| Profit for the year after tax                        | 2,686,742        | 2,131,631        |
| <b>Adjustments for:</b>                              |                  |                  |
| Taxation charged                                     | 651,048          | 507,416          |
| Finance costs  | -                | 1,798            |
| Investment income                                    | (6,928)          | (3,500)          |
| Loss/(gain) on disposal of tangible fixed assets     | 7,539            | (258,917)        |
| Depreciation and impairment of tangible fixed assets | 948,604          | 1,054,951        |
| <b>Movements in working capital:</b>                 |                  |                  |
| Increase in stocks                                   | (27,825)         | (15,500)         |
| Increase in debtors                                  | (850,819)        | (197,120)        |
| Increase in creditors                                | 334,142          | 6,598            |
| <b>Cash generated from operations</b>                | <u>3,742,503</u> | <u>3,227,357</u> |
| <b>26 Analysis of changes in net funds</b>           |                  |                  |
|  |                  | <b>2020</b>      |
|  |                  | <b>£</b>         |
| <b>Opening net funds</b>                             |                  |                  |
| Cash and cash equivalents                            |                  | 2,296,864        |
| <b>Changes in net funds arising from:</b>            |                  |                  |
| Cash flows of the entity                             |                  | <u>1,279,937</u> |
| Closing net funds as analysed below                  |                  | <u>3,576,801</u> |
| <b>Closing net funds</b>                             |                  |                  |
| Cash and cash equivalents                            |                  | <u>3,576,801</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.