

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 30 April 2021
for
Eggleston Steel Limited

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for the Year Ended 30 April 2021

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Eggleston Steel Limited
Company Information
for the Year Ended 30 April 2021

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

SECRETARY: Mrs S Hewitt

REGISTERED OFFICE: The Mills
Canal Street
Derby
DE1 2RJ

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

REGISTERED NUMBER: 00797154 (England and Wales)

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

Strategic Report
for the Year Ended 30 April 2021

The directors present their strategic report for the year ended 30 April 2021.

REVIEW OF BUSINESS

Turnover has increased by 6.9% from £7.74m to £8.28m, due to there being a full year of trade with less disruption from COVID-19. The directors' strategy is focusing on high levels of customer service which is continuing to generate repeat business. Profiling income has decreased by 2.2% from 2020 (2020: 1.6% decrease from 2019). The increase in profiling capabilities continues to attract customers to the company, though this resulted in less ancillary sales than 2020.

The gross profit margin has increased by 0.1% to 28.2% (2020: 28.1%). The company operates in a highly competitive industry and customers are constantly demanding better prices due to their awareness of changes in the commodity price of steel in the media. The profiling division attracts higher margins; however, this has been partly offset against fluctuating commodity prices in 2020 and 2021.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

ORGANISATION

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

FINANCIAL INSTRUMENTS

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

KEY PERFORMANCE INDICATORS

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

ON BEHALF OF THE BOARD:

R J Hewitt - Director

28 October 2021

Report of the Directors
for the Year Ended 30 April 2021

The directors present their report with the financial statements of the company for the year ended 30 April 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

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

Ordinary £1	- £1	- 1 May 2020
A Ordinary £1	- £28.89473	- 1 May 2020
B Ordinary £1	- £7.66667	- 1 May 2020

The total distribution of dividends for the year ended 30 April 2021 will be £ 200,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2020 to the date of this report.

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

DISCLOSURE IN THE STRATEGIC REPORT

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

Report of the Directors
for the Year Ended 30 April 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

R J Hewitt - Director

28 October 2021

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

Opinion

We have audited the financial statements of Eggleston Steel Limited (the 'company') for the year ended 30 April 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 financial statements are 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the company and industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the steel industry and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Use of our report

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

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

1 December 2021

Profit and Loss Account
for the Year Ended 30 April 2021

	Notes	2021 £	£	2020 £	£
TURNOVER			8,275,163		7,743,984
Cost of sales			<u>5,941,435</u>		<u>5,570,409</u>
GROSS PROFIT			2,333,728		2,173,575
Distribution costs		8,856		4,492	
Administrative expenses		<u>1,998,076</u>		<u>1,982,353</u>	
			<u>2,006,932</u>		<u>1,986,845</u>
			326,796		186,730
Other operating income			<u>195,537</u>		<u>104,918</u>
OPERATING PROFIT	4		<u>522,333</u>		<u>291,648</u>
Interest payable and similar expenses	5		<u>104,076</u>		<u>111,777</u>
PROFIT BEFORE TAXATION			418,257		179,871
Tax on profit	6		<u>103,346</u>		<u>45,521</u>
PROFIT FOR THE FINANCIAL YEAR			<u>314,911</u>		<u>134,350</u>

Eggleston Steel Limited (Registered number: 00797154)

Balance Sheet
30 April 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	8		3,561,859		3,516,484
CURRENT ASSETS					
Stocks	9	955,747		695,896	
Debtors	10	1,992,676		1,432,371	
Cash in hand		47		3,799	
		<u>2,948,470</u>		<u>2,132,066</u>	
CREDITORS					
Amounts falling due within one year	11	<u>2,092,130</u>		<u>1,655,788</u>	
NET CURRENT ASSETS			<u>856,340</u>		<u>476,278</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,418,199		3,992,762
CREDITORS					
Amounts falling due after more than one year	12		(2,025,952)		(1,818,772)
PROVISIONS FOR LIABILITIES	16		<u>(352,636)</u>		<u>(249,290)</u>
NET ASSETS			<u>2,039,611</u>		<u>1,924,700</u>
CAPITAL AND RESERVES					
Called up share capital	17		26,000		26,000
Retained earnings	18		<u>2,013,611</u>		<u>1,898,700</u>
SHAREHOLDERS' FUNDS			<u>2,039,611</u>		<u>1,924,700</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2021 and were signed on its behalf by:

R J Hewitt - Director

Statement of Changes in Equity
for the Year Ended 30 April 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2019	26,000	1,942,350	1,968,350
Changes in equity			
Dividends	-	(178,000)	(178,000)
Total comprehensive income	-	134,350	134,350
Balance at 30 April 2020	<u>26,000</u>	<u>1,898,700</u>	<u>1,924,700</u>
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	314,911	314,911
Balance at 30 April 2021	<u>26,000</u>	<u>2,013,611</u>	<u>2,039,611</u>

Cash Flow Statement
for the Year Ended 30 April 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	20	993,669	893,110
Interest paid		(58,690)	(65,777)
Interest element of hire purchase payments paid		(45,433)	(42,419)
Tax paid		-	(54,920)
Net cash from operating activities		<u>889,546</u>	<u>729,994</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(18,961)	(18,941)
Sale of tangible fixed assets		<u>108,600</u>	<u>187,421</u>
Net cash from investing activities		<u>89,639</u>	<u>168,480</u>
Cash flows from financing activities			
Loan repayments in year		(45,702)	(38,344)
Finance repayments in year		(236,726)	(368,804)
Amount introduced by directors		57	7,746
Equity dividends paid		<u>(200,000)</u>	<u>(178,000)</u>
Net cash from financing activities		<u>(482,371)</u>	<u>(577,402)</u>
Increase in cash and cash equivalents		<u>496,814</u>	<u>321,072</u>
Cash and cash equivalents at beginning of year	21	(568,268)	(889,340)
Cash and cash equivalents at end of year	21	<u>(71,454)</u>	<u>(568,268)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 April 2021

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Turnover

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

Tangible fixed assets

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

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

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

Freehold land is not depreciated.

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

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

Stocks

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

At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Research and development

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

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

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

Notes to the Financial Statements - continued
for the Year Ended 30 April 2021

2. ACCOUNTING POLICIES - continued

Grants

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

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

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

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

3. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	1,508,402	1,473,307
Social security costs	140,576	146,595
Other pension costs	102,733	108,649
	<u>1,751,711</u>	<u>1,728,551</u>

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

	2021	2020
Directors	7	7
Warehouse	26	27
Drivers	4	6
Administration	13	15
	<u>50</u>	<u>55</u>

	2021 £	2020 £
Directors' remuneration	132,908	125,518
Directors' pension contributions to money purchase schemes	<u>35,682</u>	<u>34,444</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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Notes to the Financial Statements - continued
for the Year Ended 30 April 2021

4. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Lorry operating lease payments	7,364	17,674
Rent operating lease payments	90,000	90,000
Depreciation - owned assets	112,938	125,461
Depreciation - assets on hire purchase contracts	208,383	158,786
Loss on disposal of fixed assets	130,250	18,387
Auditors' remuneration	8,400	8,400
Auditors' remuneration for non audit work	18,380	15,480

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank charges and interest	51,925	62,849
Hire purchase interest	45,433	42,419
Other interest	6,718	6,509

6. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	-	(54,919)
Adjustment re prior year	-	1,920
Total current tax	-	(52,999)
Deferred tax	103,346	98,520
Tax on profit	103,346	45,521

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>418,257</u>	<u>179,871</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	79,469	34,175
Effects of:		
Expenses not deductible for tax purposes	1,354	2,261
Income not taxable for tax purposes	(6,230)	(1,310)
Adjustments to tax charge in respect of previous periods	-	1,920
Other permanent differences	<u>28,753</u>	<u>8,475</u>
Total tax charge	<u>103,346</u>	<u>45,521</u>

7. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	18,050	-
A Ordinary shares of £1 each		
Interim	164,700	163,000
B Ordinary shares of £1 each		
Interim	<u>17,250</u>	<u>15,000</u>
	<u>200,000</u>	<u>178,000</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2020	2,133,514	3,266,200	186,883
Additions	4,747	579,008	3,206
Disposals	-	(775,278)	-
At 30 April 2021	<u>2,138,261</u>	<u>3,069,930</u>	<u>190,089</u>
DEPRECIATION			
At 1 May 2020	485,590	1,442,658	151,919
Charge for year	35,486	275,166	7,155
Eliminated on disposal	-	(537,532)	-
At 30 April 2021	<u>521,076</u>	<u>1,180,292</u>	<u>159,074</u>
NET BOOK VALUE			
At 30 April 2021	<u>1,617,185</u>	<u>1,889,638</u>	<u>31,015</u>
At 30 April 2020	<u>1,647,924</u>	<u>1,823,542</u>	<u>34,964</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

8. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2020	7,080	105,822	5,699,499
Additions	18,585	-	605,546
Disposals	(1,700)	-	(776,978)
At 30 April 2021	<u>23,965</u>	<u>105,822</u>	<u>5,528,067</u>
DEPRECIATION			
At 1 May 2020	1,821	101,027	2,183,015
Charge for year	1,932	1,582	321,321
Eliminated on disposal	(596)	-	(538,128)
At 30 April 2021	<u>3,157</u>	<u>102,609</u>	<u>1,966,208</u>
NET BOOK VALUE			
At 30 April 2021	<u>20,808</u>	<u>3,213</u>	<u>3,561,859</u>
At 30 April 2020	<u>5,259</u>	<u>4,795</u>	<u>3,516,484</u>

Included in cost of land and buildings is freehold land of £ 360,000 (2020 - £ 360,000) which is not depreciated.

The net book value of tangible fixed assets includes £ 1,711,276 (2020 - £ 1,333,074) in respect of assets held under hire purchase contracts.

9. STOCKS

	2021 £	2020 £
Goods for resale	<u>955,747</u>	<u>695,896</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,904,217	1,228,502
Other debtors	892	102,113
Tax	54,919	54,919
Prepayments	<u>32,648</u>	<u>46,837</u>
	<u>1,992,676</u>	<u>1,432,371</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 13)	116,233	617,259
Hire purchase contracts (see note 14)	283,486	213,920
Trade creditors	1,426,036	551,814
Social security and other taxes	74,823	164,856
Other creditors	9,940	25,127
Directors' loan accounts	53,054	52,997
Accrued expenses	127,615	23,954
Deferred grants	943	5,861
	<u>2,092,130</u>	<u>1,655,788</u>

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

	2021	2020
	£	£
Bank loans (see note 13)	793,045	838,287
Hire purchase contracts (see note 14)	1,227,566	947,273
Deferred grants	5,341	33,212
	<u>2,025,952</u>	<u>1,818,772</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	71,501	572,067
Bank loans	44,732	45,192
	<u>116,233</u>	<u>617,259</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	46,023	46,265
Amounts falling due between two and five years:		
Bank loans - 2-5 years	146,199	145,495
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	600,823	646,527

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	283,486	213,920
Between one and five years	<u>1,227,566</u>	<u>947,273</u>
	<u>1,511,052</u>	<u>1,161,193</u>
	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	38,373	141,205
Between one and five years	<u>3,957</u>	<u>42,330</u>
	<u>42,330</u>	<u>183,535</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdrafts	71,501	572,067
Bank loans	837,777	883,479
Hire purchase contracts	<u>1,511,052</u>	<u>1,161,193</u>
	<u>2,420,330</u>	<u>2,616,739</u>

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

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

16. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>352,636</u>	<u>249,290</u>
		Deferred tax
		£
Balance at 1 May 2020		249,290
Provided during year		<u>103,346</u>
Balance at 30 April 2021		<u>352,636</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2021

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
18,050	Ordinary	£1	18,050	18,050
5,700	A Ordinary	£1	5,700	5,700
2,250	B Ordinary	£1	2,250	2,250
			<u>26,000</u>	<u>26,000</u>

18. RESERVES

	Retained earnings £
At 1 May 2020	1,898,700
Profit for the year	314,911
Dividends	(200,000)
At 30 April 2021	<u>2,013,611</u>

19. EMPLOYEE BENEFITS

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

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

	2021 £	2020 £
Profit before taxation	418,257	179,871
Depreciation charges	321,321	284,247
Loss on disposal of fixed assets	130,250	18,387
Government grants	(32,789)	(6,895)
Finance costs	104,076	111,777
	<u>941,115</u>	<u>587,387</u>
(Increase)/decrease in stocks	(259,851)	132,128
(Increase)/decrease in trade and other debtors	(560,305)	569,728
Increase/(decrease) in trade and other creditors	872,710	(396,133)
Cash generated from operations	<u>993,669</u>	<u>893,110</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2021

21. CASH AND CASH EQUIVALENTS

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

Year ended 30 April 2021

	30.4.21 £	1.5.20 £
Cash and cash equivalents	47	3,799
Bank overdrafts	<u>(71,501)</u>	<u>(572,067)</u>
	<u>(71,454)</u>	<u>(568,268)</u>

Year ended 30 April 2020

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

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.20 £	Cash flow £	Other non-cash changes £	At 30.4.21 £
Net cash				
Cash at bank and in hand	3,799	(3,752)		47
Bank overdrafts	<u>(572,067)</u>	<u>500,566</u>		<u>(71,501)</u>
	<u>(568,268)</u>	<u>496,814</u>		<u>(71,454)</u>
Debt				
Finance leases	(1,161,193)	236,726	-	(1,511,052)
Debts falling due within 1 year	(45,192)	460	-	(44,732)
Debts falling due after 1 year	<u>(838,287)</u>	<u>45,242</u>	-	<u>(793,045)</u>
	<u>(2,044,672)</u>	<u>282,428</u>	-	<u>(2,348,829)</u>
Total	<u>(2,612,940)</u>	<u>779,242</u>	-	<u>(2,420,283)</u>

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