COMPANY REGISTRATION NUMBER: 04364685

SWM & WASTE RECYCLING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2020

Peplows Limited
Moorgate House
King Street
Newton Abbot
Devon
TQ12 2LG

SWM & WASTE RECYCLING LIMITED
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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 Moorgate House King Street Newton Abbot Devon TQ12 2LG

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

Fair review of the business

The main activities 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 waste management solutions that work in combination with excellent customer service.

The Directors wish to grow the business by focussing on expanding core recycling activities and by continuing to develop innovative recycling solutions that add value throughout the supply chain.

The Directors are further committed to sustainable waste recycling which exceeds customer expectations and extends recycling capability and options. This will be achieved though a combination of innovation, staff training, flexible work practices and investment in our people, plant, and equipment.

Principal risks and uncertainties

The principal business risks faced by the company is the supply and demand for scrap metals, fluctuating secondary metal prices, market competition and customer payments.

The company manages these risks by continuous improvements in staff training, and through investment in plant, equipment and new technologies.

Fluctuating secondary metals prices and the supply and demand for scrap metal are managed through continual monitoring of the metal markets, published price indices and market reactions.

Customer payments are managed through strict adherence to payment terms, and effective pursuit of outstanding debts.

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 on a weekly basis
- Monthly cash Flow Projections
- Debtor days
- Staff costs as a % of turnover
- Transport costs as a % of turnover
- Budget variance

Approved by the Board on 23 November 2020 and signed on its behalf by:

Mervyn Mogford
Mr M E Mogford
Director

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

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 have not proposed a final dividend be paid in respect of the year end 31 March 2020.

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

Important non adjusting events after the financial period

In respect of the COVID – 19 pandemic, 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.

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 23 November 2020 and signed on its behalf by:

Martin Mogford

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Mr M E Mogford
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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:

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

- 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 2020, 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 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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SWM & WASTE RECYCLING LIMITED

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

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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

23 November 2020

SWM & WASTE RECYCLING LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	3	**10,922,991**	13,263,175
Cost of sales		**(7,735,261)**	(9,640,642)
Gross profit		3,187,730	3,622,533
Administrative expenses		**(2,855,550)**	(2,585,411)
Other operating income	4	**60,738**	56,080
Operating profit	6	**392,918**	1,093,202
Other interest receivable and similar income	7	**199**	46
Interest payable and similar charges	8	**(28,722)**	(44,111)
		(28,523)	(44,065)
Profit before tax		**364,395**	1,049,137
Taxation	12	**(73,537)**	(193,095)
Profit for the financial year		**290,858**	856,042

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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	**2,121,747**	2,416,524
Current assets			
Stocks	15	**20,770**	114,531
Debtors	16	**1,736,600**	2,313,052
Cash at bank and in hand		**1,038,624**	514,548
		2,795,994	2,942,131
Creditors: Amounts falling due within one year	18	**(1,533,753)**	(2,010,416)
Net current assets		**1,262,241**	931,715
Total assets less current liabilities		**3,383,988**	3,348,239
Creditors: Amounts falling due after more than one year	18	**(259,398)**	(475,395)
Provisions for liabilities	19	**(82,564)**	(91,676)
Net assets		**3,042,026**	2,781,168
Capital and reserves			
Called up share capital	23	**1,400**	1,400
Profit and loss account		**3,040,626**	2,779,768
Total equity		**3,042,026**	2,781,168

Approved and authorised for issue by the Board on 23 November 2020 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 14 to 28 form an integral part of these financial statements.

SWM & WASTE RECYCLING LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	1,400	2,779,768	2,781,168
Profit for the year	-	290,858	290,858
Total comprehensive income	-	290,858	290,858
Dividends	-	(30,000)	(30,000)
At 31 March 2020	1,400	3,040,626	3,042,026

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	1,400	1,962,026	1,963,426
Profit for the year	-	856,042	856,042
Total comprehensive income	-	856,042	856,042
Dividends	-	(38,300)	(38,300)
At 31 March 2019	1,400	2,779,768	2,781,168

The notes on pages 14 to 28 form an integral part of these financial statements.

SWM & WASTE RECYCLING LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		**290,858**	856,042
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	**448,872**	611,584
Profit on disposal of tangible assets	5	**(13,000)**	(38,472)
Finance income	7	**(199)**	(46)
Finance costs	8	**28,722**	44,111
Income tax expense	12	**73,537**	193,095
		828,790	1,666,314
Working capital adjustments			
Decrease in stocks	15	**93,761**	54,310
Decrease/(increase) in trade debtors	16	**576,452**	(515,063)
Decrease in trade creditors	18	**(258,452)**	(192,527)
Cash generated from operations		**1,240,551**	1,013,034
Income taxes paid	12	**(205,314)**	(128,751)
Net cash flow from operating activities		**1,035,237**	884,283
Cash flows from investing activities			
Interest received	7	**199**	46
Acquisitions of tangible assets		**(154,095)**	(228,147)
Proceeds from sale of tangible assets		**13,000**	68,597
Net cash flows from investing activities		**(140,896)**	(159,504)
Cash flows from financing activities			
Interest paid	8	**(28,722)**	(44,111)
Repayment of bank borrowing		**(41,051)**	(114,955)
Payments to finance lease creditors		**(270,492)**	(302,154)
Dividends paid	24	**(30,000)**	(38,300)
Net cash flows from financing activities		**(370,265)**	(499,520)
Net increase in cash and cash equivalents		**524,076**	225,259
Cash and cash equivalents at 1 April		**514,548**	289,289
Cash and cash equivalents at 31 March		**1,038,624**	514,548

The notes on pages 14 to 28 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 23 November 2020.

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.

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**
Plant and machinery	Straight line over 5 and 10 years
Fixture and fittings	Straight line over 5 years
Motor vehicles	Staright line over 5 and 10 years
Equipment	Straight line over 5 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 and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

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:

	2020	2019
	£	£
Sale of goods	10,922,991	13,263,175

4 Other operating income

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

	2020	2019
	£	£
Rental income	60,738	56,080

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2020	2019
	£	£
Gain (loss) on disposal of property, plant and equipment	13,000	38,472

6 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	**448,872**	611,584
Foreign exchange gains	**(542)**	(30)
Operating lease expense - property	**234,891**	247,408
Operating lease expense - plant and machinery	**171,940**	186,692
Profit on disposal of property, plant and equipment	**(13,000)**	(38,472)

7 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	**199**	46

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and borrowings	**236**	4,037
Interest on obligations under finance leases and hire purchase contracts	**28,486**	40,074
	28,722	44,111

9 Staff costs

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

	2020 £	2019 £
Wages and salaries	**1,740,614**	1,707,733
Social security costs	**139,419**	144,617
Pension costs, defined contribution scheme	**123,746**	50,912
Other employee expense	**24,035**	20,719
	2,027,814	1,923,981

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

	2020 No.	2019 No.
Production	**54**	52
Administration and support	**19**	23
Other departments	**3**	3
	76	78

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	**170,737**	196,951
Contributions paid to money purchase schemes	**8,187**	6,048
	178,924	202,999

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

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	**3**	3

11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	**10,750**	8,500

12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	**82,649**	206,686
Deferred taxation		
Arising from origination and reversal of timing differences	**(19,897)**	(13,591)
Arising from changes in tax rates and laws	**10,785**	-
Total deferred taxation	**(9,112)**	(13,591)
Tax expense in the income statement	73,537	193,095

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	**364,395**	1,049,137
Corporation tax at standard rate	**69,235**	199,336
UK deferred tax expense relating to changes in tax rates or laws	**10,785**	-
Decrease from tax losses for which no deferred tax asset was recognised	**(6,483)**	(10,664)
Increase in UK and foreign current tax from adjustment for prior periods	**-**	1,335
Tax increase from effect of capital allowances and depreciation	**-**	3,088
Total tax charge	73,537	193,095

14 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost					
At 1 April 2019	1,248,447	199,510	863,841	3,439,597	5,751,395
Additions	-	680	70,089	83,326	154,095
Disposals	-	-	(74,750)	(41,750)	(116,500)
At 31 March 2020	1,248,447	200,190	859,180	3,481,173	5,788,990
Depreciation					
At 1 April 2019	368,805	182,273	576,398	2,207,395	3,334,871
Charge for the year	-	5,543	117,207	326,122	448,872
Eliminated on disposal	-	-	(74,750)	(41,750)	(116,500)
At 31 March 2020	368,805	187,816	618,855	2,491,767	3,667,243
Carrying amount					
At 31 March 2020	879,642	12,374	240,325	989,406	2,121,747
At 31 March 2019	879,642	17,237	287,443	1,232,202	2,416,524

Included within the net book value of land and buildings above is £879,642 (2019 - £879,642) in respect of freehold land and buildings and £Nil (2019 - £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:

	2020	2019
	£	£
Leasehold imporovements	-	-
Motor vehicles on HP	142,611	205,277
	142,611	205,277

Restriction on title and pledged as security

Freehold land & buildings with a carrying amount of £879,642 (2019 - £879,642) has been pledged as security for bank finance.

Motor vehicles with a carrying amount of £142,611 (2019 - £20,527) has been pledged as security for HP finance.

15 Stocks

	2020	2019
	£	£
Other inventories	**20,770**	114,531

16 Debtors

	2020	2019
	£	£
Trade debtors	**1,439,010**	1,852,239
Other debtors	**2,209**	6,932
Prepayments	**295,381**	453,881
	1,736,600	2,313,052

The carrying amount of trade debtors pledged as security for liabilities amounted to £1,439,010 (2019 - £1,852,239).

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

17 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	7	7
Cash at bank	1,038,617	514,541
	1,038,624	514,548

18 Creditors

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	21	226,446	321,992
Trade creditors		942,945	1,133,653
Social security and other taxes		232,575	301,065
Outstanding defined contribution pension costs		6,502	-
Other payables		3,592	-
Accruals		39,044	48,392
Income tax liability	12	82,649	205,314
		1,533,753	2,010,416
Due after one year			
Loans and borrowings	21	259,398	475,395

19 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2019	91,676	91,676
Increase (decrease) in existing provisions	(9,112)	(9,112)
At 31 March 2020	82,564	82,564

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £123,746 (2019 - £50,912).

Contributions totalling £6,502 (2019 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

21 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	-	41,051
Finance lease liabilities	226,446	280,941
	226,446	321,992

	2020 £	2019 £
Non-current loans and borrowings		
Finance lease liabilities	259,398	475,395

22 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:

	2020 £	2019 £
Not later than one year	259,398	280,941
Later than one year and not later than five years	226,446	475,395
	485,844	756,336

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	144,039	162,556
Later than one year and not later than five years	505,517	593,764
Later than five years	1,094,791	1,486,042
	1,744,347	2,242,362

The amount of non-cancellable operating lease payments recognised as an expense during the year was £406,831 (2019 - £434,100).

23 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	1,200	1,200	1,200	1,200
Ordinary A shares of £1 each	100	100	100	100
Ordinary B shares of £1 each	100	100	100	100
	1,400	1,400	1,400	1,400

24 Dividends

Interim dividends paid

	2020 £	2019 £
Interim dividend of £300.00 (2019 - £383.00) per each Ordinary B shares	30,000	38,300

25 Related party transactions

Summary of transactions with key management
A director owns a yard used by the company and received rent during the year amounting to £10,758 (2019 - £10,008).

Two directors jointly own property used by the company and received rent during the year amounting to £80,000 (2019 - £80,000).

Two directors have provided personal guarantees in respect of properties leased by the company.

Wages of £150,114 (2019 - £114,890) have been paid to close family members of the directors.

Directors have received dividends in the year of £30,000 (2019 - £38,300).

26 Non adjusting events after the financial period

In respect of the COVID – 19 pandemic, 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.