

Company Registration No. 00334694 (England and Wales)

CHESHIRE BRICKMAKERS LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2019**

PAGES FOR FILING WITH REGISTRAR

2019 - 2020

2019 - 2020

2019 - 2020

2019 - 2020

2019 - 2020

SATURDAY



A9IQ0BNM

A30

28/11/2020

#281

COMPANIES HOUSE

CHESHIRE BRICKMAKERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JULY 2019

The directors are responsible for preparing the 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.

CHESHIRE BRICKMAKERS LIMITED**BALANCE SHEET****AS AT 31 JULY 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		561,935		535,656
Current assets					
Stocks		205,144		273,769	
Debtors	4	543,164		420,563	
Cash at bank and in hand		635,938		195,086	
		1,384,246		889,418	
Creditors: amounts falling due within one year	5	(210,746)		(229,359)	
Net current assets			1,173,500		660,059
Total assets less current liabilities			1,735,435		1,195,715
Creditors: amounts falling due after more than one year	6		(3,486,807)		(2,550,481)
Net liabilities			(1,751,372)		(1,354,766)
Capital and reserves					
Called up share capital	7		118,613		118,613
Capital redemption reserve			81,387		81,387
Profit and loss reserves			(1,951,372)		(1,554,766)
Total equity			(1,751,372)		(1,354,766)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 26/11/2020 and are signed on its behalf by:


 Collier Industrial Waste Limited
 Director

CHESHIRE BRICKMAKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

Company information

Cheshire Brickmakers Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Nash Road, Trafford Park, Manchester, M17 1SX. The principal place of business is Moss Side Lane, Rixton, Warrington, Cheshire, WA3 6HH.

The company's principal activities and nature of its operations are disclosed in the Directors Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

Going concern

The company has, post year end, temporarily restructured the company which concluded with existing employees leaving the organisation by way of redundancy and the site temporarily closing. The directors plan to start trading again once sufficient plans and resources have been put in place to enable this. The company has minimal liabilities due to the closure and has sufficient cash resources to enable future trading to be undertaken.

The balance sheet does show a net liability position of £1,751,372 (2018 - £1,354,766) due to a £3.5m loan owed to its parent Collier Industrial Waste Limited. This balance is interest bearing at 8% and is classified as a long-term creditor and the company has a letter from their parent confirming that the amount will not be called upon for repayments until the company has the ability to repay the loan.

The company also has in writing, formal support from its ultimate majority shareholder providing continued support if required for the 12 months from when the financial statements are approved. Furthermore, the ultimate shareholder has committed in writing to buy the assets of the company if necessary for no less than their book value.

Therefore, with due consideration of the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are comfortable adopting the going concern basis of accounting in preparing the financial statements. The directors do not consider there to be a material uncertainty with regards to this basis of preparation.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of specialist bricks in the ordinary course of business. Turnover is recognised at the point of despatch for the sale of bricks. Turnover is shown net of value added tax.

Tangible fixed assets

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

CHESHIRE BRICKMAKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies (Continued)

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

Freehold land and buildings	Not depreciated
Plant and machinery	4 to 20 years (5-25% p.a)
Fixtures and fittings	8 to 10 years (10-12.5% p.a)

No depreciation is provided on freehold land and buildings as it comprises substantially of land. Having regard to this, it is the opinion of the directors that depreciation of the remaining buildings as required by the Companies Act 2006 and standard accounting practice would not be material.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CHESHIRE BRICKMAKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CHESHIRE BRICKMAKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2018 - 3).

The director is remunerated by the parent company.

3 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 August 2018	448,783	2,396,500	9,905	2,855,188
Additions	-	34,202	7,750	41,952
At 31 July 2019	448,783	2,430,702	17,655	2,897,140
Depreciation and impairment				
At 1 August 2018	-	2,309,627	9,905	2,319,532
Depreciation charged in the year	-	14,898	775	15,673
At 31 July 2019	-	2,324,525	10,680	2,335,205
Carrying amount				
At 31 July 2019	448,783	106,177	6,975	561,935
At 31 July 2018	448,783	86,873	-	535,656

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	501,779	392,156
Other debtors	16,816	28,407
	518,595	420,563
Deferred tax asset	24,569	-
	543,164	420,563

CHESHIRE BRICKMAKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	43,485	30,290
Other taxation and social security	23,376	72,590
Other creditors	-	158
Accruals and deferred income	143,885	126,321
	<u>210,746</u>	<u>229,359</u>

6 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Amounts due to group undertakings	<u>3,486,807</u>	<u>2,550,481</u>

The amounts due to Collier Industrial Waste Limited are secured by fixed and floating charges over all assets of the company and carry an interest charge at 8% per annum. In addition, any liability of any of the group companies to Mr P J Collier, a majority shareholder of Collier Industrial Waste Limited is secured by a charge over the assets of the company.

7 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
118,613 ordinary shares of £1 each	<u>118,613</u>	<u>118,613</u>
	<u>118,613</u>	<u>118,613</u>

CHESHIRE BRICKMAKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

8 Events after the reporting date

On 30 January 2020 the World Health Organisation (WHO) announced Coronavirus as a global health emergency. On 11 March 2020 it announced that Coronavirus was a global pandemic. Soon after the UK government announced its own 'lock-down' measures and within a matter of days the impact was felt across the economy, with the company being no exception.

With regards the results reported for the year ended 31 July 2019, the directors are of the opinion that there are no material uncertainties or impact relating to the accounting estimates, or any other balances, transactions and disclosures, as arising from the impact of Covid-19.

There has however been an impact on post year end financial performance to the extent certain actions have been taken to protect the future of the company. These actions include, but are not limited to, a restructuring of the Cheshire Brickmakers business which concluded with existing employees leaving the organisation by way of redundancy and the site temporarily closing pending any future viable business opportunities being identified.

As disclosed in the going concern accounting policy note, the directors, along with management, have reviewed the risks associated with Covid-19 and are satisfied that the company will remain a going concern for a period of at least 12 months from the date of approving the financial statements. The directors are also of the opinion that no adjustments are required to the 31 July 2019 year end accounts, as a result of the post year end events linked to Covid-19.

9 Related party transactions

Cheshire Brickmakers Limited had the following related party transactions with entities under common control:

During the year Cheshire Brickmakers Limited accrued rent of £18,500 (2018 - £18,500) to a related party. At the year end the amount owed to the related party was £129,500 (2018 - £111,000).

10 Parent company

Collier Industrial Waste Limited is the smallest and largest company for which consolidated accounts including Cheshire Brickmakers Limited are produced. The consolidated accounts of Collier Industrial Waste Limited are available from its registered office, Nash Road, Trafford Park, Manchester, M17 1SX.

The company's immediate controlling party and ultimate parent company is Collier Industrial Waste Limited. The company's ultimate controlling party is Mr P J Collier by virtue of his majority shareholding in the parent company Collier Industrial Waste Limited.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Michael Fairhurst FCA.

The auditor was RSM UK Audit LLP.