

**G.C. BIRCHALL (HOLDINGS) LIMITED**

**ANNUAL REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

## **G.C. BIRCHALL (HOLDINGS) LIMITED**

### **COMPANY INFORMATION**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Mr. Colin G.Birchall<br>Mrs.Christine Birchall   |
| <b>Secretary</b>         | Mr. Colin G. Birchall  |
| <b>Company number</b>    | 345838 (England and Wales)   |
| <b>Registered office</b> | Cobalt House<br>Magnesium Way<br>Burnley Bridge Business Park<br>Hapton<br>Burnley<br>BB12 7BF |
| <b>Auditor</b>           | Ashworth Moulds<br>11 Nicholas Street<br>Burnley<br>Lancashire<br>BB11 2AL                     |
| <b>Bankers</b>           | Yorkshire Bank plc<br>40 Church Street<br>Blackburn<br>Lancashire<br>BB1 5AW                   |

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# **G.C. BIRCHALL (HOLDINGS) LIMITED**

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# **G.C. BIRCHALL (HOLDINGS) LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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

### **Principal Activity**

The principal activity of the group continued to be that of food wholesalers.

### **Business Review**

During the year to 31 March, 2021 the Coronavirus pandemic has had a significant impact on group turnover performance. The turnover decrease reported in these accounts was a direct result of the closure and partial closures of two out of our three trading sectors, that of hospitality and education. The lockdowns have shown how quickly trade can disappear and it is certain that without the government's support of a flexible furlough scheme the group would have faced serious difficulties due to the significant share of turnover accounted by the hospitality and education sectors.

Despite this the group has been able to react in an agile manner. Through negotiations with local councils the group has provided thousands of emergency food parcels for the most vulnerable during the pandemic and have ensured stock losses remained minimal.

The group's wide customer base, including the significant percentage of turnover in the care and health sector has proved to be a major strength and the group has performed throughout the emergency at a significant higher level than most competitors.

Furthermore, the online ordering platform Ordermate has started to repay in efficiencies and the expected bad debt losses due to the pandemic did not materialise. The furlough scheme also provided much financial support, although some redundancies have been inevitable. These factors combined have resulted in the margins and net profit reported in the year remaining stable year on year.

The group position in respect of turnover, growth prospects, margin, bad debt and funds for expansion is considered to be positive and the directors will consider the availability of additional funding should the need arise.

The Covid-19 experience has seen the group develop numerous new and enhanced business practices that will continue to provide security and growth into the future. The group's performance in gaining additional food service customers is another industry leading performance.

### **Principal risks and uncertainties**

The group operates in a fast moving consumer goods industry that remains intensely competitive.

The principal risks and uncertainties facing the group are considered to be:-

- Macro-economic factors such as UK recession and inflation rates.
- Non-compliance with applicable legislation and governance
- Pandemics (Covid-19)
- Energy and Fuel supply and price increases
- Staffing availability / Recruitment

By managing the business the directors have established controls to respond to and mitigate the impact of any such risks.

# **G.C. BIRCHALL (HOLDINGS) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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### **Financial Key Performance Indicators**

The company's directors believe that their key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover and operating profit.

Turnover represents invoiced wholesale goods. The turnover for the year decreased by 23.4% to £22,953,653 in comparison to last year.

Operating profit for the year increased to £898,425 (3.9% of turnover) from £877,061 (2.9% of turnover) and profit before tax has increased to £809,628 (2020 : £763,973).

At 31 March, 2021 the group's net current assets amounted to £1,298,540 and the company's net assets increased by £276,527 to £3,950,498.

### **Future Developments**

The group plans to continue its focus to improve business efficiencies in future years. This will include the continuous development of the Ordermate platform to enhance user experience and provide functionality such as making payments online and downloading customer documents. Upgrades will also be implemented to our software and warehouse management systems.

As part of the group's efforts to provide a reduced carbon footprint the field sales team vehicles will be replaced with the latest electric cars. The latest Euro 7 delivery fleet vehicles have also been ordered to ensure our fleet meets its green objectives as well as maintaining a reliable delivery service to our customers.

On behalf of the board

Mr. Colin G.Birchall

**Director**

14 April 2022

# **G.C. BIRCHALL (HOLDINGS) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

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

### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £400,000. The directors do not recommend payment of a further dividend.

### **Directors**

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

Mr. Colin G. Birchall  
Mrs. Christine Birchall

### **Auditor**

The auditor, Ashworth Moulds, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

### **Strategic report**

The information required by schedule 7 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013.

**G.C. BIRCHALL (HOLDINGS) LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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On behalf of the board

Mr. Colin G.Birchall

**Director**

14 April 2022

# **G.C. BIRCHALL (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF G.C. BIRCHALL (HOLDINGS) LIMITED**

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#### **Opinion**

We have audited the financial statements of G.C. BIRCHALL (HOLDINGS) LIMITED (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **Basis for opinion**

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

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

In auditing the financial statements, we have concluded that the 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 group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.



## **G.C. BIRCHALL (HOLDINGS) LIMITED**

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

#### **TO THE MEMBERS OF G.C. BIRCHALL (HOLDINGS) LIMITED**

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

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

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

##### **Matters on which we are required to report by exception**

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

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

## **G.C. BIRCHALL (HOLDINGS) LIMITED**

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

#### **TO THE MEMBERS OF G.C. BIRCHALL (HOLDINGS) LIMITED**

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the food wholesaling sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation, Minimum Wage requirements and Coronavirus Job Retention Scheme guidance and;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing Food Hygiene inspection findings.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

##### **Audit response to risks identified**

We addressed detecting material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, as follows:

| <b>Risks identified</b>   | <b>Audit response</b>  |
|---|--|
| Risk of fraud through management bias and override controls         | <ul style="list-style-type: none"><li>• performed analytical procedures to identify any unusual or unexpected relationships;</li><li>• tested journal entries to identify unusual transactions;</li><li>• assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and</li><li>• investigated the rationale behind significant or unusual transactions.</li></ul>   |
| Risk of irregularities and non-compliance with laws and regulations | <ul style="list-style-type: none"><li>• agreeing financial statement disclosures to underlying supporting documentation;</li><li>• agreeing a sample of Coronavirus Job Retention Scheme claims to underlying documentation and checking that the claims appeared to be made in accordance with government guidelines;</li><li>• reading the minutes of meetings of those charged with governance; and</li><li>• enquiring of management as to actual and potential litigation and claims.</li></ul> |

## **G.C. BIRCHALL (HOLDINGS) LIMITED**

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

#### **TO THE MEMBERS OF G.C. BIRCHALL (HOLDINGS) LIMITED**

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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

**David Pickles FCA (Senior Statutory Auditor)**  
**For and on behalf of Ashworth Moulds**

14 April 2022

**Chartered Accountants**  
**Statutory Auditor**

11 Nicholas Street  
Burnley  
Lancashire  
BB11 2AL

## G.C. BIRCHALL (HOLDINGS) LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

|  | Notes | 2021<br>£    | 2020<br>£    |
|--|-------|--------------|--------------|
| Turnover                               | 3     | 22,953,653   | 29,981,627   |
| Cost of sales                          |       | (15,712,598) | (20,767,018) |
| <b>Gross profit</b>                    |       | 7,241,055    | 9,214,609    |
| Distribution costs                     |       | (5,040,022)  | (5,761,109)  |
| Administrative expenses                |       | (2,793,079)  | (2,723,451)  |
| Other operating income                 |       | 1,490,471    | 147,012      |
| <b>Operating profit</b>                | 4     | 898,425      | 877,061      |
| Interest receivable and similar income | 8     | 1,232        | 2,103        |
| Interest payable and similar expenses  | 9     | (90,029)     | (115,191)    |
| <b>Profit before taxation</b>          |       | 809,628      | 763,973      |
| Tax on profit                          | 10    | (133,101)    | (118,815)    |
| <b>Profit for the financial year</b>   |       | 676,527      | 645,158      |

Profit for the financial year is all attributable to the owners of the parent company.

The notes on pages 15 - 33 form an integral part of these financial statements.

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

# G.C. BIRCHALL (HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2021

|  | Notes | 2021<br>£          | £ | 2020<br>£          | £ |
|--|-------|--------------------|---|--------------------|---|
| <b>Fixed assets</b>  |       |                    |   |                    |   |
| Intangible assets  | 13    | 224,835            |   | 193,159            |   |
| Tangible assets  | 14    | 3,394,572          |   | 4,050,746          |   |
| Investments  | 15    | 33                 |   | 33                 |   |
|  |       | <u>3,619,440</u>   |   | <u>4,243,938</u>   |   |
| <b>Current assets</b>  |       |                    |   |                    |   |
| Stocks   | 17    | 1,673,750          |   | 2,086,935          |   |
| Debtors falling due after more than one year                   | 18    | -                  |   | 19,376             |   |
| Debtors falling due within one year                            | 18    | 3,629,635          |   | 4,284,542          |   |
| Cash at bank and in hand                                       |       | 190,502            |   | 909,599            |   |
|  |       | <u>5,493,887</u>   |   | <u>7,300,452</u>   |   |
| <b>Creditors: amounts falling due within one year</b>          | 20    | <u>(4,195,347)</u> |   | <u>(6,563,683)</u> |   |
| <b>Net current assets</b>                                      |       | <u>1,298,540</u>   |   | <u>736,769</u>     |   |
| <b>Total assets less current liabilities</b>                   |       | <u>4,917,980</u>   |   | <u>4,980,707</u>   |   |
| <b>Creditors: amounts falling due after more than one year</b> | 21    | (793,879)          |   | (1,081,096)        |   |
| <b>Provisions for liabilities</b>                              |       |                    |   |                    |   |
| Deferred tax liability   | 24    | 173,603            |   | 225,640            |   |
|  |       | <u>(173,603)</u>   |   | <u>(225,640)</u>   |   |
| <b>Net assets</b>  |       | <u>3,950,498</u>   |   | <u>3,673,971</u>   |   |
| <b>Capital and reserves</b>                                    |       |                    |   |                    |   |
| Called up share capital  | 26    | 320                |   | 320                |   |
| Profit and loss reserves                                       |       | 3,950,178          |   | 3,673,651          |   |
| <b>Total equity</b>  |       | <u>3,950,498</u>   |   | <u>3,673,971</u>   |   |

The notes on pages 15 - 33 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 14 April 2022 and are signed on its behalf by:

Mr. Colin G.Birchall  
Director

## G.C. BIRCHALL (HOLDINGS) LIMITED

### COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

|  | Notes | 2021<br>£    | £            | 2020<br>£    | £            |
|--|-------|--------------|--------------|--------------|--------------|
| <b>Fixed assets</b>                          |       |              |              |              |              |
| Investments                                  | 15    |              | 4,702        |              | 4,702        |
| <b>Current assets</b>                        |       |              |              |              |              |
| Debtors                                      | 18    | 1,507        |              | 1,507        |              |
| Cash at bank and in hand                     |       | 51           |              | 51           |              |
|  |       | <u>1,558</u> |              | <u>1,558</u> |              |
| <b>Net current assets</b>                    |       |              | 1,558        |              | 1,558        |
| <b>Total assets less current liabilities</b> |       |              | <u>6,260</u> |              | <u>6,260</u> |
| <b>Capital and reserves</b>                  |       |              |              |              |              |
| Called up share capital                      | 26    |              | 320          |              | 320          |
| Profit and loss reserves                     |       |              | 5,940        |              | 5,940        |
| <b>Total equity</b>                          |       |              | <u>6,260</u> |              | <u>6,260</u> |

The notes on pages 15 - 33 form an integral part of these financial statements.

#### Profit for the financial year - Company

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £400,000 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 14 April 2022 and are signed on its behalf by:

Mr. Colin G.Birchall  
**Director**

**Company Registration No. 345838**

# G.C. BIRCHALL (HOLDINGS) LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

|  |       | Share capital | Profit and<br>loss reserves | Total     |
|--|-------|---------------|-----------------------------|-----------|
|  | Notes | £             | £                           | £         |
| <b>Balance at 1 April 2019</b>                     |       | 320           | 3,028,493                   | 3,028,813 |
| <b>Year ended 31 March 2020:</b>                   |       |               |                             |           |
| Profit and total comprehensive income for the year |       | -             | 645,158                     | 645,158   |
| <b>Balance at 31 March 2020</b>                    |       | 320           | 3,673,651                   | 3,673,971 |
| <b>Year ended 31 March 2021:</b>                   |       |               |                             |           |
| Profit and total comprehensive income for the year |       | -             | 676,527                     | 676,527   |
| Dividends  | 11    | -             | (400,000)                   | (400,000) |
| <b>Balance at 31 March 2021</b>                    |       | 320           | 3,950,178                   | 3,950,498 |

# G.C. BIRCHALL (HOLDINGS) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

|  |       | Share capital | Profit and<br>loss reserves | Total     |
|--|-------|---------------|-----------------------------|-----------|
|  | Notes | £             | £                           | £         |
| Balance at 1 April 2019                            |       | 320           | 5,940                       | 6,260     |
| Year ended 31 March 2020:                          |       |               |                             |           |
| Profit and total comprehensive income for the year |       | -             | -                           | -         |
| Balance at 31 March 2020                           |       | 320           | 5,940                       | 6,260     |
| Year ended 31 March 2021:                          |       |               |                             |           |
| Profit and total comprehensive income for the year |       | -             | 400,000                     | 400,000   |
| Dividends  | 11    | -             | (400,000)                   | (400,000) |
| Balance at 31 March 2021                           |       | 320           | 5,940                       | 6,260     |



# G.C. BIRCHALL (HOLDINGS) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

|   | Notes | 2021<br>£ | £ | 2020<br>£   | £ |
|---|-------|-----------|---|-------------|---|
| <b>Cash flows from operating activities</b>                   |       |           |   |             |   |
| Cash generated from operations                                | 31    | 1,208,908 |   | 3,229,632   |   |
| Interest paid   |       | (90,029)  |   | (115,191)   |   |
| Corporation taxes paid  |       | (81,251)  |   | (114,125)   |   |
| <b>Net cash inflow from operating activities</b>              |       | 1,037,628 |   | 3,000,316   |   |
| <b>Investing activities</b>                                   |       |           |   |             |   |
| Purchase of intangible assets                                 |       | (106,626) |   | (145,951)   |   |
| Purchase of tangible fixed assets                             |       | (118,493) |   | (442,496)   |   |
| Proceeds on disposal of tangible fixed assets                 |       | 16,000    |   | -           |   |
| Interest received   |       | 1,232     |   | 2,103       |   |
| <b>Net cash used in investing activities</b>                  |       | (207,887) |   | (586,344)   |   |
| <b>Financing activities</b>                                   |       |           |   |             |   |
| Capital element of loan repayment to directors                |       | (33,817)  |   | (68,344)    |   |
| Increase in bank loans less repayments                        |       | (92,917)  |   | (121,022)   |   |
| Capital element of hire purchase contracts and finance leases |       | (282,555) |   | (398,296)   |   |
| Dividends paid to equity shareholders                         |       | (400,000) |   | -           |   |
| <b>Net cash used in financing activities</b>                  |       | (809,289) |   | (587,662)   |   |
| <b>Net increase in cash and cash equivalents</b>              |       | 20,452    |   | 1,826,310   |   |
| Cash and cash equivalents at beginning of year                |       | (100,473) |   | (1,926,783) |   |
| <b>Cash and cash equivalents at end of year</b>               |       | (80,021)  |   | (100,473)   |   |
| <b>Relating to:</b>   |       |           |   |             |   |
| Cash at bank and in hand                                      |       | 190,502   |   | 909,599     |   |
| Bank overdrafts included in creditors payable within one year |       | (270,523) |   | (1,010,072) |   |

# **G.C. BIRCHALL (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Company information**

G.C. Birchall (Holdings) Limited ("the company") is a company limited by shares and incorporated in England and Wales. The registered office is Cobalt House, Magnesium Way, Burnley Bridge Business Park, Hapton, Burnley, BB12 7BF.

The group consists of G.C. Birchall (Holdings) Limited and all of its subsidiaries.

G.C. Birchall (Holdings) Limited is a holding company. The group's principal activities are disclosed in the Strategic Report.

#### **1.1 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.

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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

#### **1.2 Basis of consolidation**

The consolidated financial statements incorporate those of G.C. Birchall (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

|          |   |
|----------|---|
| Software | 50% straight line basis from date available for use |
|----------|---|

#### 1.6 Tangible fixed assets

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

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

|                          |                                    |
|--------------------------|------------------------------------|
| Buildings long leasehold | 2% straight line basis (see below) |
| Plant & machinery        | 5 - 10% straight line basis        |
| Fixtures & fittings      | 10 - 20% straight line basis       |
| Computer equipment       | 20 - 50% straight line basis       |
| Cars                     | 25% reducing balance basis         |
| Commercial vehicles      | 10 - 20% straight line basis       |

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 recognised in the profit and loss account.

Group policy is to maintain the leasehold buildings to a high standard by a continued programme of refurbishment and maintenance. The original cost compared with the residual value of leasehold buildings is such that the depreciable amount is considered to be nil.

#### 1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

## **G.C. BIRCHALL (HOLDINGS) LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

---

#### **1 Accounting policies**

**(Continued)**

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Interests in unlisted investments whose fair values cannot be measured reliably are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

#### **1.8 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises the purchase price of stock items.

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 sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The group 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.

A financial instrument is a contract giving rise to a financial asset (such as trade and other debtors, cash and bank balances) or a financial liability (such as trade and other creditors, bank and other loans, hire purchase and lease creditors) or an equity instrument (such as ordinary or preference shares).

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

Investments in equity instruments which are not subsidiaries, associates or joint ventures, that are not publicly traded and whose fair values cannot be measured reliably are accounted for at cost less impairment.

All the group's other financial instruments are basic financial instruments and are recognised at amortised cost using the effective interest method.

**Amortised cost:** the original transaction value, less amounts settled, less any adjustment for impairment.

**Effective interest method:** where a financial instrument falls due more than 12 months after the balance sheet date and is subject to a rate of interest which is below a market rate, the original transaction value is discounted using a market rate of interest to give the net present value of future cash flows.

#### **Derecognition of financial assets**

Financial assets cease to be recognised only when the contractual rights to the cash flows expire, or when substantially all the risks and rewards of ownership are transferred to another entity.

Financial liabilities cease to be recognised when and only when the group's obligations are discharged, cancelled, or they expire.

#### 1.11 Taxation

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

#### **Current tax**

Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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

## **G.C. BIRCHALL (HOLDINGS) LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

---

#### **1 Accounting policies**

**(Continued)**

##### **1.12 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.

##### **1.13 Retirement benefits**

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

##### **1.14 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of leases.

##### **1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Government grants relating to the Coronavirus Job Retention Scheme are recognised as other income in the period to which the employee costs are recognised for the relevant furlough period.

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) and that have had the most significant effect on amounts recognised in the financial statements are as follows:

The determination of whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

The determination of whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and whether it is a larger cash-generating unit, the viability and expected future performance of that unit.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets are depreciated over their useful lives taking into account 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 asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 3 Turnover and other revenue

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

|   | 2021       | 2020       |
|---|------------|------------|
|   | £          | £          |
| <b>Turnover analysed by class of business</b> |            |            |
| Principal activity                            | 22,953,653 | 29,981,627 |

The total turnover of the group for the year has been derived from its principal activity, wholly undertaken in the United Kingdom.

## G.C. BIRCHALL (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

| 3 Turnover and other revenue  |                  | (Continued)    |  |
|---|------------------|----------------|--|
|   | 2021             | 2020           |  |
|   | £                | £              |  |
| <b>Other significant revenue</b>  |                  |                |  |
| Other operating income  | 147,534          | 147,012        |  |
| Government grants receivable under the Coronavirus Job Retention Scheme | 1,302,730        | -              |  |
| Government grants - other Covid-19 related Grants                       | 40,207           | -              |  |
|   | <u>1,488,471</u> | <u>147,012</u> |  |
| <b>4 Operating profit</b>   | <b>2021</b>      | <b>2020</b>    |  |
|   | £                | £              |  |
| Operating profit for the year is stated after charging/(crediting):     |                  |                |  |
| Depreciation of owned tangible fixed assets                             | 493,924          | 374,140        |  |
| Depreciation of tangible fixed assets held under finance leases         | 231,848          | 353,779        |  |
| (Profit) / loss on disposal of tangible fixed assets                    | 32,895           | 120            |  |
| Amortisation of intangible assets                                       | 74,950           | -              |  |
| Impairment of intangible assets   | -                | 60,000         |  |
| Operating lease charges   | 431,676          | 444,576        |  |
|   | <u>1,234,293</u> | <u>832,515</u> |  |
| <b>5 Auditor's remuneration</b>   | <b>2021</b>      | <b>2020</b>    |  |
|   | £                | £              |  |
| Fees payable to the company's auditor and associates:                   |                  |                |  |
| <b>For audit services</b>   |                  |                |  |
| Audit of the financial statements of the group and company              | 2,150            | 2,075          |  |
| Audit of the company's subsidiaries                                     | 15,075           | 14,575         |  |
|   | <u>17,225</u>    | <u>16,650</u>  |  |
| <b>For other services</b>   |                  |                |  |
| All other non-audit services  | 35,140           | 33,910         |  |
|   | <u>52,365</u>    | <u>50,560</u>  |  |



# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 6 Employees

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

|                | Group<br>2021<br>Number | 2020<br>Number | Company<br>2021<br>Number | 2020<br>Number |
|----------------|-------------------------|----------------|---------------------------|----------------|
| Transport      | 42                      | 45             | -                         | -              |
| Warehouse      | 35                      | 40             | -                         | -              |
| Sales          | 25                      | 33             | -                         | -              |
| Administration | 28                      | 30             | -                         | -              |
| Directors      | 7                       | 7              | 2                         | 2              |
|                | <hr/>                   | <hr/>          | <hr/>                     | <hr/>          |
| Total          | 137                     | 155            | 2                         | 2              |
|                | <hr/> <hr/>             | <hr/> <hr/>    | <hr/> <hr/>               | <hr/> <hr/>    |

Their aggregate remuneration comprised:

|                       | Group<br>2021<br>£ | 2020<br>£   | Company<br>2021<br>£ | 2020<br>£   |
|-----------------------|--------------------|-------------|----------------------|-------------|
| Wages and salaries    | 4,036,157          | 4,379,514   | -                    | -           |
| Social security costs | 388,095            | 411,100     | -                    | -           |
| Pension costs         | 269,206            | 135,870     | -                    | -           |
|                       | <hr/>              | <hr/>       | <hr/>                | <hr/>       |
|                       | 4,693,458          | 4,926,484   | -                    | -           |
|                       | <hr/> <hr/>        | <hr/> <hr/> | <hr/> <hr/>          | <hr/> <hr/> |

### 7 Directors' remuneration

|                                      | 2021<br>£   | 2020<br>£   |
|--------------------------------------|-------------|-------------|
| Remuneration for qualifying services | 63,579      | 135,767     |
|                                      | <hr/> <hr/> | <hr/> <hr/> |

### 8 Interest receivable and similar income

|  | 2021<br>£   | 2020<br>£   |
|--|-------------|-------------|
| Interest income                          |             |             |
| Interest due on finance lease receivable | 1,232       | 2,103       |
|  | <hr/> <hr/> | <hr/> <hr/> |

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 9 Interest payable and similar expenses

|  | 2021          | 2020           |
|--|---------------|----------------|
|  | £             | £              |
| <b>Interest on financial liabilities measured at amortised cost:</b> |               |                |
| Interest on bank overdrafts and loans                                | 20,549        | 27,345         |
| <b>Other finance costs:</b>  |               |                |
| Interest on finance leases and hire purchase contracts               | 60,097        | 74,795         |
| Other interest   | 9,383         | 13,051         |
|  | <u>90,029</u> | <u>115,191</u> |

### 10 Taxation

|  | 2021            | 2020           |
|--|-----------------|----------------|
|  | £               | £              |
| <b>Current tax</b>                                   |                 |                |
| UK corporation tax on profits for the current period | 208,587         | 104,598        |
| Adjustments in respect of prior periods              | (23,449)        | -              |
|  | <u>185,138</u>  | <u>104,598</u> |
| <b>Deferred tax</b>                                  |                 |                |
| Origination and reversal of timing differences       | (52,037)        | 14,217         |
|  | <u>(52,037)</u> | <u>14,217</u>  |
|  | <u>133,101</u>  | <u>118,815</u> |

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

|  | 2021           | 2020           |
|--|----------------|----------------|
|  | £              | £              |
| Profit before taxation   | <u>809,628</u> | <u>763,973</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 153,829        | 145,155        |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 3,778          | 1,462          |
| Adjustments in respect of prior years  | (23,449)       | -              |
| Depreciation on assets not qualifying for tax allowances   | 8,819          | 495            |
| Research and development tax credit  | (9,876)        | (28,297)       |
|  | <u>133,101</u> | <u>118,815</u> |

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 11 Dividends

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Recognised as distributions to equity holders: |           |           |
| Interim paid                                   | 400,000   | -         |

### 12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

|                         | Notes | 2021<br>£ | 2020<br>£ |
|-------------------------|-------|-----------|-----------|
| In respect of:          |       |           |           |
| Intangible assets       | 13    | -         | 60,000    |
| Recognised in:          |       |           |           |
| Administrative expenses |       | -         | 60,000    |

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

### 13 Intangible fixed assets

| Group                              | Goodwill<br>£ | Software<br>£ | Total<br>£ |
|------------------------------------|---------------|---------------|------------|
| <b>Cost</b>                        |               |               |            |
| At 1 April 2020                    | 214,533       | 253,159       | 467,692    |
| Additions - separately acquired    | -             | 106,626       | 106,626    |
| At 31 March 2021                   | 214,533       | 359,785       | 574,318    |
| <b>Amortisation and impairment</b> |               |               |            |
| At 1 April 2020                    | 214,533       | 60,000        | 274,533    |
| Amortisation charged for the year  | -             | 74,950        | 74,950     |
| At 31 March 2021                   | 214,533       | 134,950       | 349,483    |
| <b>Carrying amount</b>             |               |               |            |
| At 31 March 2021                   | -             | 224,835       | 224,835    |
| At 31 March 2020                   | -             | 193,159       | 193,159    |

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

More information on impairment movements in the year is given in note 12.

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 14 Tangible fixed assets

| Group                              | Buildings<br>long<br>leasehold<br>£ | Plant &<br>machinery<br>£ | Fixtures &<br>fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|------------------------------------|-------------------------------------|---------------------------|-----------------------------|------------------------|------------|
| <b>Cost</b>                        |                                     |                           |                             |                        |            |
| At 1 April 2020                    | 1,709,234                           | 633,596                   | 1,872,192                   | 3,103,887              | 7,318,909  |
| Additions                          | 10,340                              | -                         | 95,403                      | 12,750                 | 118,493    |
| Disposals                          | -                                   | -                         | (114,450)                   | (173,293)              | (287,743)  |
| At 31 March 2021                   | 1,719,574                           | 633,596                   | 1,853,145                   | 2,943,344              | 7,149,659  |
| <b>Depreciation and impairment</b> |                                     |                           |                             |                        |            |
| At 1 April 2020                    | 3,654                               | 133,899                   | 1,190,888                   | 1,939,722              | 3,268,163  |
| Depreciation charged in the year   | -                                   | 32,126                    | 251,595                     | 442,051                | 725,772    |
| Eliminated in respect of disposals | -                                   | -                         | (110,841)                   | (128,007)              | (238,848)  |
| At 31 March 2021                   | 3,654                               | 166,025                   | 1,331,642                   | 2,253,766              | 3,755,087  |
| <b>Carrying amount</b>             |                                     |                           |                             |                        |            |
| At 31 March 2021                   | 1,715,920                           | 467,571                   | 521,503                     | 689,578                | 3,394,572  |
| At 31 March 2020                   | 1,705,580                           | 499,697                   | 681,304                     | 1,164,165              | 4,050,746  |

The company had no tangible fixed assets at 31 March 2021 or 31 March 2020.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

|  | Group<br>2021<br>£ | 2020<br>£ | Company<br>2021<br>£ | 2020<br>£ |
|--|--------------------|-----------|----------------------|-----------|
| Fixtures & fittings  | 12,698             | 53,376    | -                    | -         |
| Motor vehicles   | 414,181            | 936,944   | -                    | -         |
|  | 426,879            | 990,320   | -                    | -         |
| Depreciation charge for the year in respect of leased assets | 231,848            | 353,779   | -                    | -         |

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 15 Fixed asset investments

|                             | Notes | Group<br>2021<br>£ | 2020<br>£ | Company<br>2021<br>£ | 2020<br>£    |
|-----------------------------|-------|--------------------|-----------|----------------------|--------------|
| <b>At cost</b>              |       |                    |           |                      |              |
| Investments in subsidiaries | 16    | -                  | -         | 4,702                | 4,702        |
| Unlisted investments        |       | 33                 | 33        | -                    | -            |
|                             |       | <u>33</u>          | <u>33</u> | <u>4,702</u>         | <u>4,702</u> |

#### Movements in fixed asset investments Group

|                                 | Unlisted<br>investments<br>£ |
|---------------------------------|------------------------------|
| <b>Cost</b>                     |                              |
| At 1 April 2020 & 31 March 2021 | 33                           |
| <b>Carrying amount</b>          |                              |
| At 31 March 2021                | 33                           |
| At 31 March 2020                | 33                           |

#### Movements in fixed asset investments Company

|                                 | Investment in<br>subsidiary<br>£ |
|---------------------------------|----------------------------------|
| <b>Cost</b>                     |                                  |
| At 1 April 2020 & 31 March 2021 | 4,702                            |
| <b>Carrying amount</b>          |                                  |
| At 31 March 2021                | 4,702                            |
| At 31 March 2020                | 4,702                            |

### 16 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

| Name of undertaking   | Registered office | Class of<br>shares held | % Held<br>Direct |
|-----------------------|-------------------|-------------------------|------------------|
| G.C. Birchall Limited | England and Wales | Ordinary                | 100.00           |

The investments in subsidiaries are all stated at cost less impairment.

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 17 Stocks

|                                     | Group<br>2021<br>£ | 2020<br>£ | Company<br>2021<br>£ | 2020<br>£ |
|-------------------------------------|--------------------|-----------|----------------------|-----------|
| Finished goods and goods for resale | 1,673,750          | 2,086,935 | -                    | -         |

### 18 Debtors

|   | Group<br>2021<br>£ | 2020<br>£        | Company<br>2021<br>£ | 2020<br>£    |
|---|--------------------|------------------|----------------------|--------------|
| <b>Amounts falling due within one year:</b> |                    |                  |                      |              |
| Trade debtors                               | 2,173,959          | 2,920,640        | -                    | -            |
| Corporation tax recoverable                 | 87,784             | 87,784           | -                    | -            |
| Amounts owed by group undertakings          | -                  | -                | 1,147                | 1,147        |
| Finance leases receivable                   | 24,328             | 18,576           | -                    | -            |
| Other debtors                               | 614,004            | 385,530          | 360                  | 360          |
| Prepayments and accrued income              | 729,560            | 872,012          | -                    | -            |
|   | <u>3,629,635</u>   | <u>4,284,542</u> | <u>1,507</u>         | <u>1,507</u> |

#### Amounts falling due after more than one year:

|                           |                  |                  |              |              |
|---------------------------|------------------|------------------|--------------|--------------|
| Finance leases receivable | -                | 19,376           | -            | -            |
|                           | <u>-</u>         | <u>19,376</u>    | <u>-</u>     | <u>-</u>     |
| <b>Total debtors</b>      | <u>3,629,635</u> | <u>4,303,918</u> | <u>1,507</u> | <u>1,507</u> |

### 19 Finance lease receivables

|  | Group<br>2021<br>£ | 2020<br>£     | Company<br>2021<br>£ | 2020<br>£ |
|--|--------------------|---------------|----------------------|-----------|
| Gross amounts receivable under finance leases:     |                    |               |                      |           |
| Within one year                                    | 24,760             | 19,808        | -                    | -         |
| In two to five years                               | -                  | 19,808        | -                    | -         |
|  | <u>24,760</u>      | <u>39,616</u> | <u>-</u>             | <u>-</u>  |
| Unearned finance income                            | (432)              | (1,664)       | -                    | -         |
|  | <u>24,328</u>      | <u>37,952</u> | <u>-</u>             | <u>-</u>  |
| Present value of minimum lease payments receivable | 24,328             | 37,952        | -                    | -         |
|  | <u>24,328</u>      | <u>37,952</u> | <u>-</u>             | <u>-</u>  |
| The present value is receivable as follows:        |                    |               |                      |           |
| Within one year                                    | 24,328             | 18,576        | -                    | -         |
| In two to five years                               | -                  | 19,376        | -                    | -         |
|  | <u>24,328</u>      | <u>37,952</u> | <u>-</u>             | <u>-</u>  |

## G.C. BIRCHALL (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 19 Finance lease receivables

(Continued)

##### Analysis of finance leases

Finance lease receivables are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

|                | Group  |        | Company |      |
|----------------|--------|--------|---------|------|
|                | 2021   | 2020   | 2021    | 2020 |
|                | £      | £      | £       | £    |
| Current assets | 24,328 | 37,952 | -       | -    |

The group entered into a financial leasing arrangement for certain plant and equipment. The lease term is 5 years.

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

|                                    |       | Group     |           | Company |      |
|------------------------------------|-------|-----------|-----------|---------|------|
|                                    |       | 2021      | 2020      | 2021    | 2020 |
|                                    | Notes | £         | £         | £       | £    |
| Bank loans and overdrafts          | 22    | 391,285   | 1,135,795 | -       | -    |
| Obligations under finance leases   | 23    | 196,807   | 313,918   | -       | -    |
| Directors loans                    | 22    | 53,571    | 53,571    | -       | -    |
| Trade creditors                    |       | 2,639,976 | 3,379,629 | -       | -    |
| Corporation tax payable            |       | 208,485   | 104,598   | -       | -    |
| Other taxation and social security |       | 167,055   | 108,366   | -       | -    |
| Other creditors                    |       | 40,420    | 61,531    | -       | -    |
| Accruals and deferred income       |       | 497,748   | 1,406,275 | -       | -    |
|                                    |       | 4,195,347 | 6,563,683 | -       | -    |

##### Group

Included in the bank loans and overdrafts figure is £270,523 (2020: £1,010,072) which relates to an invoice discounting facility. This is secured on trade debtors.

Details of security and bank and other loan terms are provided in notes 22 and 23.

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 21 Creditors: amounts falling due after more than one year

|                                  | Notes | Group<br>2021<br>£ | 2020<br>£        | Company<br>2021<br>£ | 2020<br>£ |
|----------------------------------|-------|--------------------|------------------|----------------------|-----------|
| Bank loans and overdrafts        | 22    | 454,288            | 542,244          | -                    | -         |
| Obligations under finance leases | 23    | 199,301            | 364,745          | -                    | -         |
| Directors loans                  | 22    | 140,290            | 174,107          | -                    | -         |
|                                  |       | <u>793,879</u>     | <u>1,081,096</u> | <u>-</u>             | <u>-</u>  |

#### Group

Details of security and loan terms are provided in notes 22 and 23.

### 22 Loans and overdrafts

|                         | Group<br>2021<br>£ | 2020<br>£        | Company<br>2021<br>£ | 2020<br>£ |
|-------------------------|--------------------|------------------|----------------------|-----------|
| Bank loans              | 575,050            | 667,967          | -                    | -         |
| Bank overdrafts         | 270,523            | 1,010,072        | -                    | -         |
| Directors loans         | 193,861            | 227,678          | -                    | -         |
|                         | <u>1,039,434</u>   | <u>1,905,717</u> | <u>-</u>             | <u>-</u>  |
| Payable within one year | 444,856            | 1,189,366        | -                    | -         |
| Payable after one year  | 594,578            | 716,351          | -                    | -         |

#### Group

Included in the bank overdrafts figure is £270,523 (2020: £1,010,072) which relates to an invoice discounting facility. This is secured on trade debtors.

The bank loans and overdraft are secured by a debenture incorporating a fixed and floating charge over the group's assets and a legal first charge over The Cobalt Building, Magnesium Way, Burnley.

Directors loans relate to loans from the directors Mr & Mrs C. Birchall of £193,861 (2020: £227,678) which are unsecured and repayable over seven years. Interest is payable at 4% over bank base rate.

The first bank loan of £600,000 is repayable in equal monthly instalments over 15 years. Interest is charged on the loan at 3% over LIBOR. The second bank loan of £335,000 is repayable in equal monthly instalments over 7 years. Interest is charged on the loan at 4% over LIBOR. The third bank loan of £250,000 is repayable in equal monthly instalments over 7 years. Interest is charged on the loan at 4% over LIBOR.



# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 23 Finance lease obligations

|   | Group<br>2021<br>£ | 2020<br>£      | Company<br>2021<br>£ | 2020<br>£ |
|---|--------------------|----------------|----------------------|-----------|
| Future minimum lease payments due under finance leases: |                    |                |                      |           |
| Within one year   | 227,294            | 373,959        | -                    | -         |
| In two to five years                                    | 226,390            | 422,534        | -                    | -         |
|   | <u>453,684</u>     | <u>796,493</u> | <u>-</u>             | <u>-</u>  |
| Less: future finance charges                            | (57,576)           | (117,830)      | -                    | -         |
|   | <u>396,108</u>     | <u>678,663</u> | <u>-</u>             | <u>-</u>  |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease and hire purchase obligations are secured against the assets concerned.

### 24 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| Group                          | Liabilities<br>2021<br>£ | Liabilities<br>2020<br>£ |
|--------------------------------|--------------------------|--------------------------|
| Accelerated capital allowances | 178,239                  | 233,468                  |
| Other timing differences       | (4,636)                  | (7,828)                  |
|                                | <u>173,603</u>           | <u>225,640</u>           |

The company has no deferred tax assets or liabilities.

|                               | Group<br>2021<br>£ | Company<br>2021<br>£ |
|-------------------------------|--------------------|----------------------|
| <b>Movements in the year:</b> |                    |                      |
| Liability at 1 April 2020     | 225,640            | -                    |
| Charge to profit or loss      | (52,037)           | -                    |
|                               | <u>173,603</u>     | <u>-</u>             |
| Liability at 31 March 2021    |                    |                      |

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 25 Retirement benefit schemes

|   | 2021    | 2020    |
|---|---------|---------|
|   | £       | £       |
| <b>Defined contribution schemes</b>                                 |         |         |
| Charge to profit or loss in respect of defined contribution schemes | 269,206 | 135,870 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 26 Share capital

|                                | 2021   | 2020   | 2021 | 2020 |
|--------------------------------|--------|--------|------|------|
|                                | Number | Number | £    | £    |
| <b>Ordinary share capital</b>  |        |        |      |      |
| <b>Issued and fully paid</b>   |        |        |      |      |
| Ordinary 'A' shares of £1 each | 160    | 160    | 160  | 160  |
| Ordinary 'B' shares of £1 each | 160    | 160    | 160  | 160  |
|                                | 320    | 320    | 320  | 320  |

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | Group   |           | Company |      |
|----------------------------|---------|-----------|---------|------|
|                            | 2021    | 2020      | 2021    | 2020 |
|                            | £       | £         | £       | £    |
| Within one year            | 357,823 | 405,742   | -       | -    |
| Between two and five years | 493,522 | 734,851   | -       | -    |
|                            | 851,345 | 1,140,593 | -       | -    |

### 28 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2021    | 2020    |
|------------------------|---------|---------|
|                        | £       | £       |
| Aggregate compensation | 667,775 | 511,463 |

## G.C. BIRCHALL (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 28 Related party transactions

(Continued)

##### Group

At 31st March 2021 the company's subsidiary owed its directors Colin and Christine Birchall £193,861 (2020: £227,678) as disclosed in notes 20 and 21. During the year interest was paid on this loan on a commercial basis of £9,250 (2020: £13,051).

Advances have been granted by the company's subsidiary to close family members of the company's directors as follows:-

| Description | % Rate | Opening<br>Balance<br>£ | Amounts<br>Advanced<br>£ | Interest<br>Charged<br>£ | Amounts<br>Repaid<br>£ | Closing Balance<br>£ |
|-------------|--------|-------------------------|--------------------------|--------------------------|------------------------|----------------------|
| Loan        | -      | 319,077                 | 265,512                  | -                        | (217,579)              | 367,010              |
| Loan        | -      | -                       | 150,914                  | -                        | -                      | 150,914              |
|             |        | <u>319,077</u>          | <u>416,426</u>           | <u>-</u>                 | <u>(217,579)</u>       | <u>517,924</u>       |

The company's subsidiary rents premises which are owned by Birchall Family Suntrust Scheme - Pension Fund, of which four of the directors are members. A commercial rent of £176,000 was paid (2020: £164,222).

##### Company

Dividends totalling £320,000 (2020: £0) were paid in the year in respect of shares held by close family members of the company's directors.

#### 29 Directors' transactions

Dividends totalling £80,000 (2020 - £0) were paid in the year in respect of shares held by the company's directors.

#### 30 Controlling party

The directors consider there to be no ultimate controlling party.

# G.C. BIRCHALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 31 Cash generated from group operations

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| Profit for the year after tax                        | 676,527          | 645,158          |
| Adjustments for:                                     |                  |                  |
| Taxation charged                                     | 133,101          | 118,815          |
| Finance costs  | 90,029           | 115,191          |
| Investment income                                    | (1,232)          | (2,103)          |
| Loss on disposal of tangible fixed assets            | 32,895           | 120              |
| Amortisation and impairment of intangible assets     | 74,950           | 60,000           |
| Depreciation and impairment of tangible fixed assets | 725,772          | 727,919          |
| Movements in working capital:                        |                  |                  |
| Decrease/(increase) in stocks                        | 413,185          | (226,608)        |
| Decrease in debtors                                  | 674,283          | 336,271          |
| (Decrease)/increase in creditors                     | (1,610,602)      | 1,454,869        |
| <b>Cash generated from operations</b>                | <b>1,208,908</b> | <b>3,229,632</b> |

### 32 Analysis of changes in net debt - group

|                                  | 1 April 2020<br>£ | Cash flows<br>£ | 31 March 2021<br>£ |
|----------------------------------|-------------------|-----------------|--------------------|
| Cash at bank and in hand         | 909,599           | (719,097)       | 190,502            |
| Bank overdrafts                  | (1,010,072)       | 739,549         | (270,523)          |
|                                  | (100,473)         | 20,452          | (80,021)           |
| Borrowings excluding overdrafts  | (895,645)         | 126,734         | (768,911)          |
| Obligations under finance leases | (678,663)         | 282,555         | (396,108)          |
|                                  | (1,674,781)       | 429,741         | (1,245,040)        |

### 33 Analysis of changes in net funds - company

|                          | 1 April 2020<br>£ | 31 March 2021<br>£ |
|--------------------------|-------------------|--------------------|
| Cash at bank and in hand | 51                | 51                 |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.