

**Strategic Report, Report of the Directors and  
Financial Statements  
for the Period  
1 April 2018 to 30 September 2019  
for  
GLW Feeds Limited**

**Contents of the Financial Statements  
for the Period 1 April 2018 to 30 September 2019**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>5</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Income Statement</b>	<b>8</b>
<b>Other Comprehensive Income</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Cash Flow Statement</b>	<b>12</b>
<b>Notes to the Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

**GLW Feeds Limited**  
**Company Information**  
**for the Period 1 April 2018 to 30 September 2019**

<b>DIRECTORS:</b>	Miss S M White G L White G L White G M Palmer
<b>SECRETARY:</b>	Miss S M White
<b>REGISTERED OFFICE:</b>	Lindum Mill Shepshed Loughborough Leicestershire LE12 9BS
<b>REGISTERED NUMBER:</b>	00506275 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Reza Mohidin ACA
<b>AUDITORS:</b>	Bourne & Co. Statutory Auditors 3 Charnwood Street Derby Derbyshire DE1 2GY

**Strategic Report  
for the Period 1 April 2018 to 30 September 2019**

The directors present their strategic report for the period 1 April 2018 to 30 September 2019.

**REVIEW OF BUSINESS**

The Directors are extremely satisfied with the performance of the company. For the 12th successive year sales volumes and values grew, and a net profit was achieved. The Directors consider this to be a tremendous achievement and credit to our staff.

This period has seen the business install and commission an enhanced blending line which has significantly improved the manufacturing reliability and tonnage capacity of Lindum Mill. The company still sees potential opportunities within the market, and the work done to date will help us to satisfy this demand. The completed works are Phase 1 of a 3 Phase development plan which will allow the business to continue to grow.

Substantial Work has been undertaken over the last 18 months to further enhance our ERP system and ensure that we can make our back-office administration more efficient, whilst enhancing service levels to our customers.

Our Wetherby straights trading division has performed very well, and we have developed new geographic regions for the business. This growth has allowed us to increase our market share in this sector.

The development of the GLW range of products and market segmentation has ensured that the business has more market coverage to limit exposure to any one species or sector.

**Strategic Report  
for the Period 1 April 2018 to 30 September 2019**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Raw material costs continue to be volatile, with the business continuing to focus on maintaining its ability to react swiftly to market changes, which the Directors believe gives the business a positive edge over its competition.

The business is exposed to normal business risks of, credit, liquidity, interest, currency and input price volatility. These risks are limited by the company's policies described below:

**Credit Risk**

The company's principal financial assets are stock and trade debtors. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk, credit limits are set and reviewed using a combination of third-party references and payment history. We have enhanced the credit control team with the Commercial Director working in conjunction with the existing and additional credit control team member.

Significant work has been undertaken and payment terms have been reviewed to reduce the exposure and risk to the business over the last 12 months.

**Liquidity Risk**

The directors have ultimate responsibility for liquidity risk management, in maintaining adequate reserves, banking and borrowing facilities. These are regularly reviewed with the company's bankers.

**Interest Rate Risk**

The company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. The business has interest bearing assets and liabilities in the form of bank loans and borrowings. Interest rates are fixed over the term of the loan to mitigate interest rate fluctuations.

**Foreign Currency Risk**

The company has limited exposure to foreign currency risk, as the majority of all of the company's sales and purchases are denominated in Sterling.

**Input Price Risk**

The company operates in a competitive marketplace, with raw material input costs being impacted by world commodity price fluctuations. This risk is mitigated by a conservative hedging policy of forward buying and selling matched contracts and constantly monitoring the commodity markets.

**Covid-19**

Alongside the usual business risks, the start of 2020 has seen a new and unexpected threat in the form of Covid-19. The pandemic has seen us change the ways in which we operate to ensure that we keep both our staff and customers safe. We have seen Covid-19 affect the markets in different ways, initially with panic buying and more latterly with disruption to the dairy markets for those farmers who have contracts supplying the catering industry.

More recently, the markets seem to have stabilised and we have seen demand turn to the pre-Covid-19 levels and more seasonal norms.

We continue to manage this risk by ensuring that we adhere to government guidelines and monitoring our processes and procedures on a continual basis. We are working alongside our customers to mitigate any potential risks.

**Brexit**

Brexit continues to be a risk to the business in terms of what deals may be struck with either the EU / Far East / USA / Sth America. However, there is potential for further opportunities if the UK strike favourable trade deals with other nations.

The market for our products is domestic, with minimal exposure to other countries for feed sales. However, we do purchase Raw Materials which are open to currency fluctuations, as well as potential trade tariffs.

Our customer base produce livestock to enter the domestic and international export markets. The impact on exports for certain goods is not yet known. There is also potential for an unfavourable trade deal with the USA and other countries which could allow cheaper foodstuffs, not reared to the same standards to enter our markets.

Our spread of market coverage and ability to move between sectors allows us to mitigate these risks.

**Strategic Report  
for the Period 1 April 2018 to 30 September 2019**

**ANALYSIS OF DEVELOPMENT AND PERFORMANCE**

The company's overriding strategy is to continue its growth and profitability by providing its current and potential customers with the highest quality products, continuing product development and innovation, together with excellent technical service and back up.

The key performance indicators (KPI's) used in monitoring the company's performance are:

1. Sales Growth
2. Gross Profit on Sales
3. Net return in Assets

**KEY PERFORMANCE INDICATORS**

	2019	2018
Sales Growth	16.7%	16.0%
Gross Profit on sales	8.6%	9.8%
Net return on Assets	11.8%	8.5%

**ON BEHALF OF THE BOARD:**

G L White - Director

30 June 2020

**Report of the Directors  
for the Period 1 April 2018 to 30 September 2019**

The directors present their report with the financial statements of the company for the period 1 April 2018 to 30 September 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of agricultural feed merchants with ancillary services of consultancy and transport.

**DIVIDENDS**

A dividend of 50.6325 pence per share was paid on 31 December 2018.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Miss S M White  
G L White  
G L White

Other changes in directors holding office are as follows:

K M Kinsey - resigned 17 October 2018  
G M Palmer - appointed 17 October 2018

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Bourne & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

G L White - Director

30 June 2020

## **Report of the Independent Auditors to the Members of GLW Feeds Limited**

### **Opinion**

We have audited the financial statements of GLW Feeds Limited (the 'company') for the period ended 30 September 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

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

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

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

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

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

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

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



## **Report of the Independent Auditors to the Members of GLW Feeds Limited**

### **Responsibilities of directors**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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

Reza Mohidin ACA (Senior Statutory Auditor)  
for and on behalf of Bourne & Co.  
Statutory Auditors  
3 Charnwood Street  
Derby  
Derbyshire  
DE1 2GY

30 June 2020

**Income Statement**  
**for the Period 1 April 2018 to 30 September 2019**

	Notes	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
<b>TURNOVER</b>		144,777,782	82,709,575
Cost of sales		<u>132,383,839</u>	<u>74,612,205</u>
<b>GROSS PROFIT</b>		12,393,943	8,097,370
Administrative expenses		<u>10,853,254</u>	<u>7,258,900</u>
<b>OPERATING PROFIT</b>	4	1,540,689	838,470
Loan to related party written off	5	<u>-</u> 1,540,689	<u>66,081</u> 772,389
Interest receivable and similar income		<u>-</u> 1,540,689	<u>27,546</u> 799,935
Interest payable and similar expenses	6	<u>245,521</u>	<u>75,720</u>
<b>PROFIT BEFORE TAXATION</b>		1,295,168	724,215
Tax on profit	7	<u>207,259</u>	<u>86,518</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<u>1,087,909</u>	<u>637,697</u>

The notes form part of these financial statements

**Other Comprehensive Income  
for the Period 1 April 2018 to 30 September 2019**

	Notes	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
<b>PROFIT FOR THE PERIOD</b>		1,087,909	637,697
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>1,087,909</u>	<u>637,697</u>

**Balance Sheet**  
**30 September 2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		<u>7,020,641</u>		<u>4,901,159</u>
			7,020,641		4,901,159
<b>CURRENT ASSETS</b>					
Stocks	11	1,122,865		1,345,162	
Debtors	12	18,746,288		12,899,931	
Cash at bank and in hand		<u>126,285</u>		<u>2,403</u>	
		19,995,438		14,247,496	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>13,706,268</u>		<u>9,897,054</u>	
<b>NET CURRENT ASSETS</b>			<u>6,289,170</u>		<u>4,350,442</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,309,811		9,251,601
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(3,244,001)		(317,453)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(694,700)</u>		<u>(610,441)</u>
<b>NET ASSETS</b>			<u>9,371,110</u>		<u>8,323,707</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		80,000		80,000
Retained earnings	19		<u>9,291,110</u>		<u>8,243,707</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>9,371,110</u>		<u>8,323,707</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2020 and were signed on its behalf by:

G L White - Director

**Statement of Changes in Equity  
for the Period 1 April 2018 to 30 September 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2017</b>	80,000	7,636,390	7,716,390
<b>Changes in equity</b>			
Dividends	-	(30,380)	(30,380)
Total comprehensive income	-	637,697	637,697
<b>Balance at 31 March 2018</b>	<u>80,000</u>	<u>8,243,707</u>	<u>8,323,707</u>
<b>Changes in equity</b>			
Dividends	-	(40,506)	(40,506)
Total comprehensive income	-	1,087,909	1,087,909
<b>Balance at 30 September 2019</b>	<u>80,000</u>	<u>9,291,110</u>	<u>9,371,110</u>

**Cash Flow Statement**  
**for the Period 1 April 2018 to 30 September 2019**

	Notes	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(289,170)	151,856
Interest paid		(207,778)	(57,031)
Interest element of hire purchase payments paid		(37,743)	(18,689)
Tax paid		(127,643)	(19,065)
Net cash from operating activities		<u>(662,334)</u>	<u>57,071</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,619,142)	(699,730)
Sale of tangible fixed assets		235,429	51,917
Interest received		-	27,546
Net cash from investing activities		<u>(2,383,713)</u>	<u>(620,267)</u>
<b>Cash flows from financing activities</b>			
New loans in year		2,989,685	-
Loan repayments in year		(541,281)	(152,228)
Factor Loan received		1,127,141	-
Capital repayments in year		(711,769)	(484,142)
Amount introduced by directors		32,301	379
Equity dividends paid		(40,506)	(30,380)
Net cash from financing activities		<u>2,855,571</u>	<u>(666,371)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(190,476)</u>	<u>(1,229,567)</u>
<b>Cash and cash equivalents at beginning of period</b>	2	(2,185,419)	(955,852)
<b>Cash and cash equivalents at end of period</b>	2	<u>(2,375,895)</u>	<u>(2,185,419)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement**  
for the Period 1 April 2018 to 30 September 2019

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Profit before taxation	1,295,168	724,215
Depreciation charges	1,429,124	691,676
Profit on disposal of fixed assets	(70,855)	(29,061)
Movement in provision of onerous contract	-	(462,817)
Finance costs	245,521	75,720
Finance income	-	(27,546)
	<u>2,898,958</u>	<u>972,187</u>
Decrease/(increase) in stocks	222,297	(266,216)
Increase in trade and other debtors	(5,882,710)	(857,109)
Increase in trade and other creditors	<u>2,472,285</u>	<u>302,994</u>
<b>Cash generated from operations</b>	<u>(289,170)</u>	<u>151,856</u>

**2. CASH AND CASH EQUIVALENTS**

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

**Period ended 30 September 2019**

	30.9.19 £	1.4.18 £
Cash and cash equivalents	126,285	2,403
Bank overdrafts	<u>(2,502,180)</u>	<u>(2,187,822)</u>
	<u>(2,375,895)</u>	<u>(2,185,419)</u>

**Year ended 31 March 2018**

	31.3.18 £	1.4.17 £
Cash and cash equivalents	2,403	1,782
Bank overdrafts	<u>(2,187,822)</u>	<u>(957,634)</u>
	<u>(2,185,419)</u>	<u>(955,852)</u>

**Notes to the Financial Statements  
for the Period 1 April 2018 to 30 September 2019**

**1. STATUTORY INFORMATION**

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

The presentation currency of the financial statements is the Pound Sterling (£).

These accounts represent an 18 month period up to 30 September 2019 and the comparatives are for a year ended 31 March 2018. As a result they are not directly comparable.

The accounting reference date was changed for commercial reasons.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Critical accounting judgements and key sources of estimation uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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 revision and future periods where the revision affects both current and future periods.

The main judgement area concerns the valuation of stock. The directors are happy that their extensive experience and knowledge in this area will ensure that stock is correctly and accurately valued.

**Turnover**

Turnover represents net invoiced sales of goods and services excluding value added tax and is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary course of business. Turnover is recognised at the date of despatch where the company is contracted to undertake the transportation of goods to the customer's place of business. The fair value of consideration takes into account returns, discounts and rebates.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is being amortised evenly over its estimated useful life of four years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

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

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

Freehold property - 2% on cost

Plant and machinery - 25% reducing balance and at variable rates on reducing balance

Fixtures and fittings - 25% reducing balance

Motor vehicles - 25% reducing balance

Computer equipment - 20% on cost

**Stocks**

Stocks are stated at their lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stock and work in progress, cost included an appropriate share of overheads based on normal operating capacity.



**Notes to the Financial Statements - continued  
for the Period 1 April 2018 to 30 September 2019**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Leases**

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

Assets held under finance leases are recognised initially at the fair value of the leased asset (or if lower the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals paid under operating leases are charged to profit and loss on a straight line basis over the lease term unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price 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.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting date.

**Financial liabilities**

Basic financial liabilities, including trade, other creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

**Notes to the Financial Statements - continued**  
**for the Period 1 April 2018 to 30 September 2019**

**3. EMPLOYEES AND DIRECTORS**

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Wages and salaries	6,134,833	4,112,206
Social security costs	624,909	423,029
Other pension costs	390,182	165,504
	<u>7,149,924</u>	<u>4,700,739</u>

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

	Period 1.4.18 to 30.9.19	Year Ended 31.3.18
Production and delivery	91	86
Administration	25	29
Sales and marketing	<u>20</u>	<u>20</u>
	<u>136</u>	<u>135</u>

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Directors' remuneration	308,208	225,152
Directors' pension contributions to money purchase schemes	<u>20,073</u>	<u>10,406</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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Information regarding the highest paid director is as follows:

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Emoluments etc	98,084	98,648
Pension contributions to money purchase schemes	<u>3,771</u>	<u>782</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Hire of plant and machinery	116,627	24,213
Depreciation - owned assets	881,529	457,495
Depreciation - assets on hire purchase contracts	547,595	234,181
Profit on disposal of fixed assets	(70,855)	(29,061)
Audit fees	42,750	20,850
Auditors' remuneration for non audit work	<u>24,358</u>	<u>-</u>

**Notes to the Financial Statements - continued**  
**for the Period 1 April 2018 to 30 September 2019**

**5. EXCEPTIONAL ITEMS**

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Loan to related party written off	<u>-</u>	<u>(66,081)</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Bank interest	130,600	57,031
Bank loan interest	43,883	-
Invoice discounting interest	33,295	-
Hire purchase	37,743	18,689
	<u>245,521</u>	<u>75,720</u>

**7. TAXATION****Analysis of the tax charge**

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

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Current tax:		
UK corporation tax	123,000	117,500
Under/(over)provided	<u>-</u>	<u>(28,207)</u>
Total current tax	123,000	89,293
Deferred tax	84,259	(2,775)
Tax on profit	<u>207,259</u>	<u>86,518</u>

**Reconciliation of total tax charge included in profit and loss**

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

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Profit before tax	<u>1,295,168</u>	<u>724,215</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	246,082	137,601
Effects of:		
Expenses not deductible for tax purposes	-	13,824
Depreciation in excess of capital allowances	10,237	4,208
Adjustments to tax charge in respect of previous periods	-	(28,207)
Research and development relief	(49,060)	(40,908)
Total tax charge	<u>207,259</u>	<u>86,518</u>

Notes to the Financial Statements - continued  
for the Period 1 April 2018 to 30 September 2019

## 8. DIVIDENDS

	Period 1.4.18 to 30.9.19 £	Year Ended 31.3.18 £
Ordinary shares of £1 each		
Interim dividend on £1 Ordinary Shares	<u>40,506</u>	<u>30,380</u>

Since the period end an additional dividend has been paid on 31 December 2019 totalling £40,506.

## 9. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 April 2018	
and 30 September 2019	<u>215,203</u>
<b>AMORTISATION</b>	
At 1 April 2018	
and 30 September 2019	<u>215,203</u>
<b>NET BOOK VALUE</b>	
At 30 September 2019	<u>-</u>
At 31 March 2018	<u>-</u>

## 10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 April 2018	2,154,026	3,886,836	74,074
Additions	893,084	1,625,243	-
Disposals	-	-	-
At 30 September 2019	<u>3,047,110</u>	<u>5,512,079</u>	<u>74,074</u>
<b>DEPRECIATION</b>			
At 1 April 2018	265,728	2,631,192	68,923
Charge for period	49,589	594,658	1,932
Eliminated on disposal	-	-	-
At 30 September 2019	<u>315,317</u>	<u>3,225,850</u>	<u>70,855</u>
<b>NET BOOK VALUE</b>			
At 30 September 2019	<u>2,731,793</u>	<u>2,286,229</u>	<u>3,219</u>
At 31 March 2018	<u>1,888,298</u>	<u>1,255,644</u>	<u>5,151</u>

Notes to the Financial Statements - continued  
for the Period 1 April 2018 to 30 September 2019

## 10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2018	3,690,934	813,018	10,618,888
Additions	961,464	233,389	3,713,180
Disposals	(762,646)	-	(762,646)
At 30 September 2019	<u>3,889,752</u>	<u>1,046,407</u>	<u>13,569,422</u>
<b>DEPRECIATION</b>			
At 1 April 2018	2,155,061	596,825	5,717,729
Charge for period	639,315	143,630	1,429,124
Eliminated on disposal	(598,072)	-	(598,072)
At 30 September 2019	<u>2,196,304</u>	<u>740,455</u>	<u>6,548,781</u>
<b>NET BOOK VALUE</b>			
At 30 September 2019	<u>1,693,448</u>	<u>305,952</u>	<u>7,020,641</u>
At 31 March 2018	<u>1,535,873</u>	<u>216,193</u>	<u>4,901,159</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2018	161,581	1,487,202	1,648,783
Additions	225,163	912,021	1,137,184
Disposals	-	(24,517)	(24,517)
Transfer to ownership	(161,581)	(1,188,875)	(1,350,456)
At 30 September 2019	<u>225,163</u>	<u>1,185,831</u>	<u>1,410,994</u>
<b>DEPRECIATION</b>			
At 1 April 2018	69,170	506,545	575,715
Charge for period	81,040	466,555	547,595
Eliminated on disposal	-	(10,152)	(10,152)
Transfer to ownership	(78,411)	(687,308)	(765,719)
At 30 September 2019	<u>71,799</u>	<u>275,640</u>	<u>347,439</u>
<b>NET BOOK VALUE</b>			
At 30 September 2019	<u>153,364</u>	<u>910,191</u>	<u>1,063,555</u>
At 31 March 2018	<u>92,411</u>	<u>980,657</u>	<u>1,073,068</u>

## 11. STOCKS

	2019 £	2018 £
Raw materials & consumables	<u>1,122,865</u>	<u>1,345,162</u>

Stock recognised in cost of sales during the year as an expenses was £124,728,207 (2018 £69,445,127).

**Notes to the Financial Statements - continued**  
**for the Period 1 April 2018 to 30 September 2019**

**12. DEBTORS**

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	14,601,727	12,229,718
Other debtors	3,630,650	215,597
Amount owed by related party	453,345	357,697
Tax	-	36,353
	<u>18,685,722</u>	<u>12,839,365</u>
Amounts falling due after more than one year:		
Tax	<u>60,566</u>	<u>60,566</u>
Aggregate amounts	<u>18,746,288</u>	<u>12,899,931</u>

Included within trade debtors are balances totalling £1,864,427 (2018 - £Nil) that are subject to factoring arrangements. The trade debtor balances have been transferred to the counterparty, though the transaction does not qualify for derecognition on the basis that the risk/reward is retained by the company. The associated liability recognised in creditors amounts to £1,127,141 (2018 - £Nil).

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Bank loans and overdrafts (see note 15)	2,830,889	2,641,693
Hire purchase contracts (see note 16)	433,132	403,845
Trade creditors	8,623,678	6,307,929
Corporation tax	204,147	245,143
Social security and other taxes	117,838	107,120
Other creditors	1,127,141	-
Directors' current accounts	39,151	6,850
Accruals and deferred income	330,292	184,474
	<u>13,706,268</u>	<u>9,897,054</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Bank loans (see note 15)	2,573,566	-
Hire purchase contracts (see note 16)	670,435	317,453
	<u>3,244,001</u>	<u>317,453</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank overdrafts	2,502,180	2,187,822
Bank loan account	<u>328,709</u>	<u>453,871</u>
	<u>2,830,889</u>	<u>2,641,693</u>
Amounts falling due between one and two years:		
Bank loans	<u>434,318</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>2,139,248</u>	<u>-</u>

**Notes to the Financial Statements - continued**  
**for the Period 1 April 2018 to 30 September 2019**

**15. LOANS - continued**

The bank borrowings are secured by a charge over the trade debtors of the company and by a legal mortgage over its freehold property.

As disclosed separately there are factored debtors related to a factor loan ( see note 12)

Also a new fixed and floating charge was taken out by the bank in January 2019.

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	458,226	417,600
Between one and five years	<u>695,532</u>	<u>326,439</u>
	<u>1,153,758</u>	<u>744,039</u>
Finance charges repayable:		
Within one year	25,094	13,755
Between one and five years	<u>25,097</u>	<u>8,986</u>
	<u>50,191</u>	<u>22,741</u>
Net obligations repayable:		
Within one year	433,132	403,845
Between one and five years	<u>670,435</u>	<u>317,453</u>
	<u>1,103,567</u>	<u>721,298</u>

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	569,294	469,178
Between one and five years	<u>1,121,736</u>	<u>546,961</u>
	<u>1,691,030</u>	<u>1,016,139</u>

**17. PROVISIONS FOR LIABILITIES**

	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	297,907	193,882
Tax on rolled over gain	<u>396,793</u>	<u>416,559</u>
	<u>694,700</u>	<u>610,441</u>
		Deferred tax
		£
Balance at 1 April 2018		610,441
Provided during period		<u>84,259</u>
Balance at 30 September 2019		<u>694,700</u>

Notes to the Financial Statements - continued  
for the Period 1 April 2018 to 30 September 2019

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
80,000	Ordinary	£1	<u>80,000</u>	<u>80,000</u>

19. **RESERVES**

	Retained earnings £
At 1 April 2018	8,243,707
Profit for the period	1,087,909
Dividends	(40,506)
At 30 September 2019	<u>9,291,110</u>

20. **RELATED PARTY DISCLOSURES**

**Entities over which the entity has control, joint control or significant influence**

	2019 £	2018 £
Sales	565,431	479,045
Purchases	238,186	241,223
Amount due from related party	<u>453,345</u>	<u>360,516</u>

All activity has been undertaken under normal commercial and trading terms.

21. **ULTIMATE CONTROLLING PARTY**

The company was controlled jointly throughout the current and previous period by two of the directors, Mr G L White and Miss S M White , by virtue of owning the majority of the ordinary shares of the company between them.



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