

A. & E. G. HEADING LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

A. & E. G. HEADING LIMITED
REGISTERED NUMBER: 00520618

BALANCE SHEET
AS AT 28 FEBRUARY 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible fixed assets	4	3,848	6,301
Tangible fixed assets	5	11,326,347	11,360,249
Investments	6	46,567	46,567
		<u>11,376,762</u>	<u>11,413,117</u>
Current assets			
Stocks	7	2,760,913	2,955,635
Debtors: amounts falling due within one year	8	1,345,115	928,090
Current asset investments	9	59,291	59,291
Cash at bank and in hand	10	39,190	34,526
		<u>4,204,509</u>	<u>3,977,542</u>
Creditors: amounts falling due within one year	11	(2,352,764)	(2,569,603)
Net current assets		<u>1,851,745</u>	<u>1,407,939</u>
Total assets less current liabilities		<u>13,228,507</u>	<u>12,821,056</u>
Creditors: amounts falling due after more than one year	12	(5,345,464)	(5,632,313)
Provisions for liabilities			
Deferred tax	15	(184,068)	(180,650)
		<u>(184,068)</u>	<u>(180,650)</u>
Net assets		<u><u>7,698,975</u></u>	<u><u>7,008,093</u></u>

A. & E. G. HEADING LIMITED
REGISTERED NUMBER: 00520618

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	16	13,100	13,100
Other reserves		6,027	6,027
Profit and loss account		7,679,848	6,988,966
		<u>7,698,975</u>	<u>7,008,093</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mr J E Heading
Director

.....
Mr M E Heading
Director

Date: 7 November 2018

The notes on pages 3 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

1. General information

A & E G Heading Limited is a private company limited by shares and is incorporated in England and Wales.

The address of its registered office is Greenwood House, Greenwood Court, Bury St Edmunds, Suffolk, IP32 7GY.

The address of its principal place of business is Middlefield, Stocking Drove, Chatteris, Cambridgeshire, PE16 6SH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 March 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line or reducing balance basis.

Depreciation is provided on the following bases:

Freehold property	- 5%-10% per annum on a straight line basis
Plant & machinery	- 10%-35% per annum on a reducing balance basis and 10% per annum on a straight line basis
Fixtures & fittings	- 15% per annum on a reducing balance basis
Other fixed assets	- 5%-10% per annum on a straight line basis

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found,

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.20 Financial instruments (continued)

an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 16 (2017 - 12).

4. Intangible assets

	Entitlements £
Cost	
At 1 March 2017	7,359
At 28 February 2018	7,359
Amortisation	
At 1 March 2017	1,058
Charge for the year	2,453
At 28 February 2018	3,511
Net book value	
At 28 February 2018	3,848
At 28 February 2017	6,301

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

5. Tangible fixed assets

	Land and buildings £	Other fixed assets £	Total £
Cost or valuation			
At 1 March 2017	11,078,726	4,323,396	15,402,122
Additions	63,315	467,912	531,227
Disposals	-	(315,747)	(315,747)
	<u>11,142,041</u>	<u>4,475,561</u>	<u>15,617,602</u>
At 28 February 2018			
Depreciation			
At 1 March 2017	1,691,153	2,350,721	4,041,874
Charge for the year on owned assets	107,230	201,887	309,117
Charge for the year on financed assets	-	109,651	109,651
Disposals	-	(169,386)	(169,386)
	<u>1,798,383</u>	<u>2,492,873</u>	<u>4,291,256</u>
At 28 February 2018			
Net book value			
At 28 February 2018	<u>9,343,658</u>	<u>1,982,688</u>	<u>11,326,346</u>
At 28 February 2017	<u>9,387,574</u>	<u>1,972,675</u>	<u>11,360,249</u>

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	9,269,627	9,311,821
Long leasehold	74,032	75,753
	<u>9,343,659</u>	<u>9,387,574</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

6. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 March 2017	4,600	41,967	46,567
At 28 February 2018	4,600	41,967	46,567
Net book value			
At 28 February 2018	4,600	41,967	46,567
At 28 February 2017	4,600	41,967	46,567

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
A & E G Heading (Thorney) Limited	Ordinary	100 %	Dormant

7. Stocks

	2018 £	2017 £
Raw materials	2,760,913	2,955,635

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

8. Debtors

	2018 £	2017 £
Trade debtors	734,880	516,202
Other debtors	407,186	386,834
Prepayments and accrued income	203,049	25,054
	<u>1,345,115</u>	<u>928,090</u>

9. Current asset investments

	2018 £	2017 £
Unlisted investments	<u>59,291</u>	<u>59,291</u>

10. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	39,192	34,526
Less: bank overdrafts	(232,657)	(911,062)
	<u>(193,465)</u>	<u>(876,536)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	232,657	911,062
Bank loans	248,720	248,720
Trade creditors	675,969	524,334
Amounts owed to other participating interests	4,600	4,600
Corporation tax	164,386	65,533
Other taxation and social security	112,710	90,013
Obligations under finance lease and hire purchase contracts	223,921	214,292
Other creditors	468,696	494,859
Accruals and deferred income	221,105	16,190
	<u>2,352,764</u>	<u>2,569,603</u>

12. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	5,300,560	5,549,280
Net obligations under finance leases and hire purchase contracts	<u>44,904</u>	<u>83,033</u>

13. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	248,720	248,720
Amounts falling due 1-2 years		
Bank loans	248,720	248,720
Amounts falling due 2-5 years		
Bank loans	1,481,840	1,520,560
Amounts falling due after more than 5 years		
Bank loans	3,570,000	3,780,000
	<u>5,549,280</u>	<u>5,798,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018	2017
	£	£
Within one year	223,921	214,292
Between 1-2 years	44,904	83,033
	<u>268,825</u>	<u>297,325</u>

15. Deferred taxation

	2018
	£
At beginning of year	(180,650)
Charged to profit or loss	(3,418)
At end of year	<u>(184,068)</u>

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	<u>(184,068)</u>	<u>(180,650)</u>

16. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
13,100 (2017 - 13,100) Ordinary shares of £1.00 each	<u>13,100</u>	<u>13,100</u>

17. Pension commitments

The company operates a defined contributions pension scheme for its employees and also a defined

contributions scheme for one of its directors. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions

payable by the company to the fund and amounted to £17,461 (2017 - £11,841).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

18. Related party transactions

The balance due to directors at 28 February 2018 was £267,565 (2017 - £477,755).

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