
BEAMGLOW LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

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BEAMGLOW LIMITED

COMPANY INFORMATION

DIRECTORS

B Griffin
M Griffin
H Roberts
A Brown
W Bellchamber

COMPANY SECRETARY

A Brown

REGISTERED NUMBER

00889202

REGISTERED OFFICE

Somersham Road
St Ives
Cambridgeshire
PE27 3LP

INDEPENDENT AUDITORS

Peters Elworthy & Moore
Chartered Accountants & Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

BEAMGLOW LIMITED

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BEAMGLOW LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2020

INTRODUCTION

The directors present the strategic report and business review, which include the principal risks and uncertainties of the business and key performance indicators for the year ended 30 April 2020.

BUSINESS REVIEW

Beamglow, as an independent family business, is dedicated to the manufacture and supply of fine quality printed folding cartons. We are focused on providing to our customers quality and services, but also understanding the markets which we supply through innovation, flexibility and reliability. Investment is a key element and we will continue our program of investment in skills training and technical advances in our industry.

PRINCIPAL RISKS AND UNCERTAINTIES

The company recognises that some of the main risks and uncertainties are as follows:

- Global economic conditions, which are mitigated by having a geographically diverse customer base;
- Competitive pressures, which the company addresses by high investment in research and development, improving efficiencies in manufacturing and focused marketing;
- Currency fluctuations, particularly the Euro and the US Dollar, which are described below; and
- Brexit and potential issues in supplying into Europe, the company has focused on the premium drinks and cosmetics brand.

The uncertainty of the pandemic also poses a risk to the company.

The directors continue to closely monitor the progress of the pandemic recognising its impact on staff, customers and suppliers. Staff numbers have been well managed since the pandemic was announced with the factory having implemented COVID-secure working practices, and accommodated employees working from home where possible.

Supply chain management continues to be closely monitored, whilst to date operations have been largely unaffected we continue to closely monitor our supply chain and will implement actions where necessary.

Through regular customer communication we work with key accounts to understand their requirements. Beamglow's core focus is on the supply of cartons to the cosmetics and premium drinks industries; whilst travel restrictions are imposed, we work very closely with all our customers and understand their supply and quality requirements.

FINANCIAL KEY PERFORMANCE INDICATORS

The company reports on a number of key performance indicators (KPIs) in its monthly management accounts, the main focus being on turnover, gross profit and cash levels.

For the financial year ended 30 April 2020, these KPIs were as follows:

- Turnover of £19,685,476 (2019: £19,652,190);
- Gross profit of £4,080,823 (2019: £4,279,837); and
- Cash reserves of £804,757 (2018: £134,431).

BEAMGLOW LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020**

OTHER KEY PERFORMANCE INDICATORS

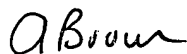
The company aims to minimise financial risk in its operations by the identification and mitigation of key risk areas. The key areas of risk identified by the directors are market risk, price risk, credit risk and currency risk.

The measures used by the directors to manage general financial, market and price risks include the preparation of management accounts and the regular monitoring of actual performance against previous periods.

Credit risk, as identified by the directors, arises from the company's trade debtors. In order to manage credit risk the directors obtain credit checks for new customers and ensure that those customers provided with credit are reviewed on a regular basis in conjunction with debt ageing and collection history.

The directors have identified that the company is exposed to translation and transaction foreign exchange risk. The directors regularly monitor foreign currency gains or losses, to analyse the exposure of the company and identify any necessary actions.

This report was approved by the board and signed on its behalf.



**A Brown
Secretary**

Date: 19 January 2021

BEAMGLOW LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2020

The directors present their report and the financial statements for the year ended 30 April 2020.

PRINCIPAL ACTIVITY

The principal activity of the company is the manufacture and supply of high quality printed folding cartons.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £72,722 (2019 - £397,940).

No dividends were paid in the year, nor declared after the balance sheet date.

DIRECTORS

The directors who served during the year were:

B Griffin
M Griffin
H Roberts
A Brown
W Bellchamber

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

FUTURE DEVELOPMENTS

The company continues to develop its customer base and quality.

BEAMGLOW LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

Subsequent to the year end, the government eased the measures introduced as a result of the global pandemic caused by COVID-19. This has enabled manufacturing to resume at full capacity and for orders to stabilise. The company is entering the third national lockdown in a strong position and manufacturing is able to continue as before.

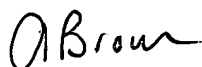
The directors have assessed the impact of interrupted trading and in order to safeguard potential disruption on future cash flows, the Company has taken advantage of a £250,000 loan under the Coronavirus Business Interruption Loan Scheme which was drawn down in May 2020.

AUDITORS

Peters Elworthy & Moore were appointed as auditor on 3 February 2020.

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**A Brown
Secretary**

Date: 19 January 2021

BEAMGLOW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEAMGLOW LIMITED

OPINION

We have audited the financial statements of Beamglow Limited (the 'Company') for the year ended 30 April 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, 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 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

BEAMGLOW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEAMGLOW LIMITED (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BEAMGLOW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEAMGLOW LIMITED (CONTINUED)

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 an Auditors' 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.

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. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Roberta Newman (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 28 January 2021

BEAMGLOW LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2020**

	Note	2020 £	2019 £
Turnover	4	19,685,476	19,652,190
Cost of sales		(15,604,653)	(15,372,353)
GROSS PROFIT		4,080,823	4,279,837
Distribution costs		(1,454,234)	(1,426,563)
Administrative expenses		(2,361,542)	(2,251,205)
Other operating income		13,876	-
OPERATING PROFIT	6	278,923	602,069
Income from fixed assets investments		398	347
Interest receivable and similar income	11	389	70
Interest payable and expenses	12	(114,186)	(113,612)
PROFIT BEFORE TAX		165,524	488,874
Tax on profit	13	(92,802)	(90,934)
PROFIT FOR THE FINANCIAL YEAR		72,722	397,940

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 13 to 30 form part of these financial statements.

BEAMGLOW LIMITED
REGISTERED NUMBER: 00889202

BALANCE SHEET
AS AT 30 APRIL 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	6,547,618	7,224,327
Investments	15	4,025	3,627
		<u>6,551,643</u>	<u>7,227,954</u>
CURRENT ASSETS			
Stocks	16	2,331,197	2,852,367
Debtors: amounts falling due within one year	17	2,566,285	3,351,633
Cash at bank and in hand	18	804,757	134,431
		<u>5,702,239</u>	<u>6,338,431</u>
Creditors: amounts falling due within one year	19	(4,503,685)	(5,520,367)
NET CURRENT ASSETS		<u>1,198,554</u>	<u>818,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,750,197</u>	<u>8,046,018</u>
Creditors: amounts falling due after more than one year	20	(1,150,258)	(1,588,969)
PROVISIONS FOR LIABILITIES			
Deferred tax	23	(472,049)	(401,881)
		<u>(472,049)</u>	<u>(401,881)</u>
NET ASSETS		<u><u>6,127,890</u></u>	<u><u>6,055,168</u></u>
CAPITAL AND RESERVES			
Called up share capital	24	10,001	10,001
Capital redemption reserve	25	150,000	150,000
Profit and loss account	25	5,967,889	5,895,167
		<u>6,127,890</u>	<u>6,055,168</u>

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

M Griffin
Director



Date: 19 January 2021

The notes on pages 13 to 30 form part of these financial statements.

BEAMGLOW LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 May 2018	10,001	150,000	5,497,227	5,657,228
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	397,940	397,940
At 1 May 2019	10,001	150,000	5,895,167	6,055,168
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	72,722	72,722
AT 30 APRIL 2020	10,001	150,000	5,967,889	6,127,890

The notes on pages 13 to 30 form part of these financial statements.

BEAMGLOW LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2020**

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	72,722	397,940
ADJUSTMENTS FOR:		
Depreciation of tangible assets	940,592	914,255
Profit on disposal of tangible assets	(8,200)	(3,633)
Interest paid	114,186	113,612
Interest received	(787)	(417)
Taxation charge	92,802	90,934
Decrease/(increase) in stocks	521,170	(407,210)
Decrease/(increase) in debtors	785,348	(235,177)
(Decrease)/increase in creditors	(377,788)	157,332
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,140,045	1,027,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(138,383)	(165,434)
Sale of tangible fixed assets	10,500	3,633
Interest received	389	70
HP interest paid	(69,596)	(75,428)
NET CASH FROM INVESTING ACTIVITIES	(197,090)	(237,159)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of other loans	(40,000)	(40,000)
Repayment of finance leases	(512,119)	(525,557)
Interest paid	(43,129)	(38,184)
NET CASH USED IN FINANCING ACTIVITIES	(595,248)	(603,741)
INCREASE IN CASH AND CASH EQUIVALENTS	1,347,707	186,736
Cash and cash equivalents at beginning of year	(1,292,054)	(1,478,790)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	55,653	(1,292,054)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	804,757	134,431
Bank overdrafts	(749,104)	(1,426,485)
	55,653	(1,292,054)

BEAMGLOW LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 APRIL 2020**

	At 1 May 2019 £	Cash flows £	New finance leases £	At 30 April 2020 £
Cash at bank and in hand	134,431	670,326	-	804,757
Bank overdrafts	(1,426,485)	677,381	-	(749,104)
Debt due after 1 year	(90,000)	40,000	-	(50,000)
Debt due within 1 year	(115,491)	22,308	-	(93,183)
Finance leases	(2,046,969)	512,119	(127,800)	(1,662,650)
	<u>(3,544,514)</u>	<u>1,922,134</u>	<u>(127,800)</u>	<u>(1,750,180)</u>

The notes on pages 13 to 30 form part of these financial statements.

BEAMGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

1. GENERAL INFORMATION

Beamglow Limited is a private company limited by shares and incorporated in England and Wales. Its registered office address is Somersham Road, St Ives, Cambridgeshire, PE27 3LP.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 TURNOVER

Turnover comprises the value of sales, after trade discounts, in the normal course of business and excludes Value Added Tax. Turnover from the sale of goods is recognised when the significant business risks and benefits of ownership have transferred to the buyer. In the normal course of business this is upon despatch of goods to the customer.

2.3 GOING CONCERN

The directors have prepared forecasts for the next 12 months and considered trading beyond this. In light of the ongoing Coronavirus pandemic the directors have stress-tested the forecasts to assess the resilience of the business. The scenarios modelled include differing levels of sales decline reflecting changes in end-user habits and therefore a reduction in demand, as well as the impact of reductions in margins.

The forecasts have also been evaluated to consider the risk of cash collection from customers slowing and thus the ability of the Company to meet its liabilities as they fall due. In addressing this scenario the Company has identified costs which can be reduced in order to extend financial headroom. The models demonstrate that, taking account of potential and realistic changes in trading performance, the Company is able to generate sufficient liquidity to continue in operational existence for the foreseeable future.

Given the uncertainty as to the potential length of the pandemic, its impact on the economy and the consequent impact on cash flows, and to safeguard against potential future disruption the Company applied for a £250,000 Coronavirus Business Interruption Loan Scheme which was approved and drawn down in May 2020. At the time of approving these financial statements the directors considered the working capital of the business to be adequate for its needs and therefore continue to adopt the going concern basis in preparing the financial statements.

BEAMGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

2.5 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 50 years
Motor vehicles	- 4 - 5 years
Fixtures and fittings	- 5 - 12 years

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 profit or loss.

2.6 VALUATION OF INVESTMENTS

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 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 gross profit margin 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.

2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

BEAMGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.9 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company.

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, 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.

2.11 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.

BEAMGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.12 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.*

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.13 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.14 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss 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.

2.15 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

BEAMGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.16 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 profit or loss 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.

2.17 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.18 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.19 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

BEAMGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.20 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 profit or loss 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.

2.21 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 profit or loss 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.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The company does not have any areas of significant judgements, however, there are areas where a level of judgement is applied and this includes stock provisions and provisions for bad debts.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the business.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	15,870,799	16,043,516
Rest of Europe	2,982,273	2,921,029
Rest of the world	832,404	687,645
	<u>19,685,476</u>	<u>19,652,190</u>

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

5. OTHER OPERATING INCOME

	2020 £	2019 £
Government grants receivable	13,876	-
	<u>13,876</u>	<u>-</u>

Government grants represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

6. OPERATING PROFIT

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets - owned	563,852	561,942
Depreciation of tangible fixed assets - leased	376,740	352,313
(Profit)/loss on disposal of tangible fixed assets	(8,200)	(3,633)
Exchange differences	(7,977)	28,452
Defined contribution pension cost	-	154,759
Other operating lease rentals	31,000	-
Operating leases - property rent	25,596	24,416
Operating leases - motor vehicles	-	4,401
	<u> </u>	<u> </u>

7. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,500	14,000
	<u> </u>	<u> </u>

**FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS
ASSOCIATES IN RESPECT OF:**

Taxation compliance services	2,150	3,300
All other services	350	950
	<u>2,500</u>	<u>4,250</u>

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	5,230,631	5,183,751
Social security costs	485,557	525,325
Cost of defined contribution scheme	151,515	154,759
	<u>5,867,703</u>	<u>5,863,835</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Production	112	117
Administration	48	47
Directors	5	5
	<u>165</u>	<u>169</u>

9. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	707,286	698,295
	<u>707,286</u>	<u>698,295</u>

The highest paid director received remuneration of £188,206 (2019 - £169,701).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 -£NIL).

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

10. INCOME FROM INVESTMENTS

	2020 £	2019 £
Income from fixed asset investments	398	347
	<u>398</u>	<u>347</u>

11. INTEREST RECEIVABLE

	2020 £	2019 £
Other interest receivable	389	70
	<u>389</u>	<u>70</u>

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Bank interest payable	39,097	34,130
Other loan interest payable	4,054	4,054
Hire purchase interest payable	71,035	75,428
	<u>114,186</u>	<u>113,612</u>

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

13. TAXATION

	2020 £	2019 £
CORPORATION TAX		
Current tax on profits for the year	22,634	-
TOTAL CURRENT TAX	<u>22,634</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	(40,347)	(24,556)
Utilisation of tax losses	63,235	114,486
Adjustments in respect of previous periods	-	1,004
Effect of change of tax rate on opening balances	47,280	-
TOTAL DEFERRED TAX	<u>70,168</u>	<u>90,934</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>92,802</u>	<u>90,934</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2019 -lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	165,524	488,874
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	31,450	92,886
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,456	5,422
Depreciation for year in excess of capital allowances	5,692	2,202
Adjustments to tax charge in respect of prior periods	-	1,004
Other tax charge (relief) on exceptional items	(76)	-
Change in deferred tax rate	47,280	(10,580)
TOTAL TAX CHARGE FOR THE YEAR	<u>92,802</u>	<u>90,934</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

13. TAXATION (CONTINUED)

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly. The deferred tax liability at 30 April 2020 has been calculated at 19% (2019 - 17%).

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST				
At 1 May 2019	2,768,163	739,132	11,399,513	14,906,808
Additions	49,620	159,658	56,905	266,183
Disposals	-	(79,529)	-	(79,529)
At 30 April 2020	2,817,783	819,261	11,456,418	15,093,462
DEPRECIATION				
At 1 May 2019	814,872	609,330	6,258,279	7,682,481
Charge for the year on owned assets	29,957	88,754	821,881	940,592
Disposals	-	(77,229)	-	(77,229)
At 30 April 2020	844,829	620,855	7,080,160	8,545,844
NET BOOK VALUE				
At 30 April 2020	1,972,954	198,406	4,376,258	6,547,618
At 30 April 2019	1,953,291	129,802	5,141,234	7,224,327

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

14. TANGIBLE FIXED ASSETS (CONTINUED)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant, fixtures & fittings	2,619,704	2,916,915
Motor vehicles	169,932	107,461
	<u>2,789,636</u>	<u>3,024,376</u>

15. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 May 2019	3,627
Additions	398
	<u>4,025</u>
At 30 April 2020	<u>4,025</u>

LISTED INVESTMENTS

The market value of the listed investments at 30 April 2020 was £11,621 (2019 - £14,290).

16. STOCKS

	2020 £	2019 £
Raw materials and consumables	280,686	134,046
Work in progress (goods to be sold)	870,069	1,073,432
Finished goods and goods for resale	1,180,442	1,644,889
	<u>2,331,197</u>	<u>2,852,367</u>

An impairment loss of £60,095 (2019: £86,230) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

17. DEBTORS

	2020 £	2019 £
Trade debtors	2,397,027	3,185,142
Other debtors	-	327
Prepayments and accrued income	169,258	166,164
	<u>2,566,285</u>	<u>3,351,633</u>

An impairment loss of £Nil (2019: £Nil) is recognised against trade debtors.

18. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	804,757	134,431
Less: bank overdrafts	(749,104)	(1,426,485)
	<u>55,653</u>	<u>(1,292,054)</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank overdrafts	749,104	1,426,485
Other loans	40,000	40,000
Trade creditors	2,225,313	2,662,977
Corporation tax	22,634	-
Other taxation and social security	641,090	546,138
Obligations under finance lease and hire purchase contracts	562,392	548,000
Other creditors	178,864	220,695
Accruals and deferred income	84,288	76,072
	<u>4,503,685</u>	<u>5,520,367</u>

Other loans relate to the outstanding balance owed to the Arkley Family Pension Fund, further detail of which is included within Note 28. Security is held over assets of the company up to the value of the outstanding balance.

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other loans	50,000	90,000
Net obligations under finance leases and hire purchase contracts	1,100,258	1,498,969
	<u>1,150,258</u>	<u>1,588,969</u>

Amounts due under finance leases and hire purchase agreements are secured on the related assets acquired.

21. LOANS

Analysis of the maturity of loans is given below:

	2020 £	2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other loans	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
AMOUNTS FALLING DUE 1-2 YEARS		
Other loans	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Other loans	10,000	50,000
	<u>10,000</u>	<u>50,000</u>
	<u>90,000</u>	<u>130,000</u>

Other loans relate to the outstanding balance owed to the Arkley Family Pension Fund, further detail of which is included within Note 28.

BEAMGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

22. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	562,392	548,000
Between 1-5 years	1,100,258	1,443,312
Over 5 years	-	55,636
	<u>1,662,650</u>	<u>2,046,948</u>

23. DEFERRED TAXATION

	2020 £	2019 £
At beginning of year	(401,881)	(310,947)
Charged to profit or loss	(70,168)	(90,934)
AT END OF YEAR	<u>(472,049)</u>	<u>(401,881)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(472,049)	(459,049)
Tax losses carried forward	-	57,168
	<u>(472,049)</u>	<u>(401,881)</u>

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

24. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
10,000 (2019 -10,000) Ordinary A shares shares of £1.00 each	10,000	10,000
1 (2019 -1) Golden share of £1.00	1	1
	<hr/>	<hr/>
	10,001	10,001
	<hr/>	<hr/>

During 2003, 1 Golden share of £1 was issued at par. The holder of this share, after the death of the majority shareholder, must approve share transfers, issue of new shares and any decisions relating to disposal of all or part of the undertaking. The holder may attend and vote at any general meeting, but has no right to surplus assets on winding up of the company. The Golden share carries no rights to the payment of dividends.

This called up share capital represents the nominal value of shares that have been issued.

25. RESERVES

Capital redemption reserve

The capital redemption reserve represents the nominal value of the shares repurchased by the Company.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

26. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £151,515 (2019: £154,759). Contributions totalling £21,761 (2019: £24,283) were payable to the fund at 30 April 2020 and are included in creditors.

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

27. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	63,109	7,105
Later than 1 year and not later than 5 years	120,681	-
	<u>183,790</u>	<u>7,105</u>

28. RELATED PARTY TRANSACTIONS

Each director operates a current account into which amounts are paid and from which personal payments are made; the following balances existed at the year end and are included in other creditors:

	2020 £	2019 £
M Griffin	2,091	24,204
A Brown	1,092	1,287
	<u>3,183</u>	<u>25,491</u>

During the year ended 30 April 2018 a loan was taken out with the Arkley Family Pension Fund for £200,000 at a fixed interest rate of 3.75% per annum. During the year £40,000 (2019: £40,000) was repaid and the balance outstanding at the year end was £90,000 (2019: £130,000). Interest charged on the loan during the year was £4,054 (2019: £4,054).

During 2017 M Griffin, a director, provided a loan to the Company. The loan carries no interest and has no fixed repayment date. The balance outstanding at year end was £50,000 (2019: £50,000) and is included within other creditors.

During 2017 K Jeffs, a close family member of the late S Arkley, provided a loan to the Company. The loan carries no interest and has no fixed repayment date. Movement in the year consists of a decrease in the loan balance of £17,746 (2019: increase of £8,008). The balance outstanding at year end was £103,175 (2019: £120,921) and is included within other creditors.

The estate of A Arkley is the controlling party by virtue of a majority shareholding. However, the rights of the controlling party are restricted by the holder of the Golden share. The Golden share is held by M Griffin, a director and ordinary shareholder of the Company; Note 24 details the rights associated with this share.

The directors are considered to be the Company's key management.

BEAMGLOW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

29. POST BALANCE SHEET EVENTS

In May 2020 the Company drew down on a £250,000 loan under the Coronavirus Business Interruption Loan Scheme. In addition in November 2020 a mortgage loan of £1,000,000 was entered with an initial tranche of £230,000 drawn down.