

Hurst Stores and Interiors Limited

Registered number: 01044173

Annual report and financial statements

For the year ended 31 March 2020

HURST STORES AND INTERIORS LIMITED

COMPANY INFORMATION

Directors	N R Hurst J E Hurst G S Hurst M A Hall B Midgley J E Gilbert
Company secretary	L J Hirst
Registered number	01044173
Registered office	Aynsley House Common Road Low Moor Bradford West Yorkshire BD12 0UF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 23

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Introduction

The directors present their strategic report for Hurst Stores and Interiors Limited for the year ended 31 March 2020.

Business review

The principal activities of the Company continued to be shopfitting and joinery manufacture.

The Company has seen strong growth in turnover during the financial year to £16.5m up from £8.1m in the prior year. The Company seen an improvement in its gross margin to 7.8% up from 6.4% in the prior year.

The Company's net assets at the year end have decreased to £2.7m from £3.2m however cash balances remain healthy at £1.1m at the balance sheet date up from £508k in the prior year which continues to allow the company to pursue its strategic objectives with minimal reliance on external borrowings.

Principal risks and uncertainties

The directors and senior management continually review and monitor the key risks facing the company together with assessing the controls used for managing these risks.

The principle risks and uncertainties facing the company are as follows:

- Competition in the marketplace – the market remains extremely competitive both domestically and globally due to the relatively low levels of customer demand in the retail sector. The company manages this risk as far as possible by maintaining strong relationships with existing valued customers and by providing excellent customer service and support.
- General decline in retail sector - the company has traditionally been heavily reliant on UK high street retailers. The company is working to manage this by increasingly looking to form relationships in export markets as well as continuing to develop and increase levels of business across all areas of the UK retail sector.

Brexit

The Director's continue to assess the potential implications of the United Kingdom withdrawing from the European Union. Although there is an appreciation that there is a level of uncertainty associated with this, no significant direct implications are expected for the business.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties continued**Impact of COVID-19**

The COVID-19 pandemic has had a significant impact on the global economy. In spite of this the business has responded well to the significant event. The Company's trading performance in April and May 2020 was severely impacted following the initial lock-down imposed by the Government. However the Company has since seen steady and gradual improvement in its financial results for Q2 and Q3 in the year ending 31 March 2021. The Directors of the Company have undertaken an assessment of future trade taking into account the probable and possible business impacts associated with the COVID-19 Coronavirus pandemic. The Company is in a strong position giving the Directors a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is able to face future challenges.

Financial key performance indicators

Management use a range of financial performance measures to monitor and manage the business as set out below:

2020 2019

Gross profit % 7.8% 6.4%

Current assets / Current liabilities 1.9 3.1

Total assets / Total liabilities 1.9 3.1

This report was approved by the board on 23 March 2021 and signed on its behalf.

G S Hurst
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

Results and dividends

The loss for the year, after taxation, amounted to £490 thousand (2019 - loss £427 thousand).

There were no dividends proposed during the year (2019 - £Nil).

Directors

The directors who served during the year were:

N R Hurst
J E Hurst
G S Hurst
M A Hall
B Midgley
J E Gilbert

Future developments

The Company plans to strengthen its position in the market.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Going concern

The Directors of the Company have undertaken an assessment of future trade taking into account the probable and possible business impacts associated with the COVID-19 Coronavirus pandemic. The period of assessment covers a period of at least 12 months from the date of the audit report. The Company is in a strong position giving the Directors a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is able to face future challenges. As such the Directors are satisfied that the Company remains a going concern and the financial statements have been prepared on the going concern basis.

Matters covered in the strategic report

Certain information is not shown in the Directors' Report because it is shown in the Strategic Report instead under s414C(11). The Strategic Report includes a business review and principal risks and uncertainties.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

The COVID-19 pandemic begun on 23 March 2020. Although this was prior to the year of the Company, the resultant significant global economic impact of the pandemic materialised after the year end. The Directors consider the COVID-19 pandemic to be a significant but non-adjusting event to the Company. The Company has considered the impact on the Company's ability to continue as a going concern within note 2.3.

There has been no other significant events affecting the Company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 March 2021 and signed on its behalf.

L J Hirst
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURST STORES AND INTERIORS LIMITED

Opinion

We have audited the financial statements of Hurst Stores and Interiors Limited (the 'Company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURST STORES AND INTERIORS LIMITED

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 auditor's 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 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURST STORES AND INTERIORS LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Use of the audit report

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

David Smithson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place

Leeds

LS1 4AP

25 March 2021

HURST STORES AND INTERIORS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £000	2019 £000
Turnover	4	16,473	8,097
Cost of sales		(15,189)	(7,581)
Gross profit		<u>1,284</u>	<u>516</u>
Administrative expenses		(1,774)	(943)
Operating loss	5	(490)	(427)
Tax on loss	9	-	-
Loss for the financial year		<u>(490)</u>	<u>(427)</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

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

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	10	11	10
		11	10
Current assets			
Stocks	11	58	138
Debtors: amounts falling due within one year	12	4,581	4,053
Cash at bank and in hand	13	1,090	508
		5,729	4,699
Creditors: amounts falling due within one year	14	(3,063)	(1,542)
Net current assets		2,666	3,157
Total assets less current liabilities		2,677	3,167
Net assets		2,677	3,167
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account	16	2,677	3,167
		2,677	3,167

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 March 2021.

G S Hurst
Director

The notes on pages 11 to 23 form part of these financial statements.

HURST STORES AND INTERIORS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2019	-	3,167	3,167
Loss for the year	-	(490)	(490)
At 31 March 2020	-	2,677	2,677

The notes on pages 11 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2018	-	3,594	3,594
Loss for the year	-	(427)	(427)
At 31 March 2019	-	3,167	3,167

The notes on pages 11 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Hurst Stores and Interiors Limited ("the Company") is a Company limited by shares and incorporated in England and Wales with registration number 01044173. The address of its registered office and principal place of business is Aynsley House, Common Road, Low Moor, Bradford, West Yorkshire, BD12 0UF.

The principal activity of the company continued to be that of shopfitting and joinery manufacture.

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.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hurst Group (Northern) Limited as at 31 March 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

The Directors of the Company have undertaken an assessment of future trade taking into account the probable and possible business impacts associated with the COVID-19 Coronavirus pandemic. The period of assessment covers a period of at least 12 months from the date of the audit report. The Company is in a strong position giving the Directors a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is able to face future challenges. As such the Directors are satisfied that the Company remains a going concern and the financial statements have been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 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.

2.7 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Taxation

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 reporting date in the countries where the Company operates and generates income.

2.9 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as stated below.

Depreciation is provided on the following basis:

Stamp Duty	-	20% straight line
Plant & machinery	-	20% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% - 33% straight line
Office equipment	-	33% straight line

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.

2.10 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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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.

2.11 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.

2.12 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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.14 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, or a public benefit entity concessionary loan.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Critical judgements in applying the accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below:

i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment associated with property, plant and equipment and intangible assets, the director has considered both external and internal sources of information such as market values, changes in technological, economic and legal environments and economic performance.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The directors do not believe there are any key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020	2019
	£000	£000
Revenue generated from third parties	16,264	8,049
Revenue generated from other wholly owned group entities	209	48
	<u>16,473</u>	<u>8,097</u>

Analysis of turnover by country of destination:

	2020	2019
	£000	£000
United Kingdom	16,455	8,097
Rest of Europe	17	-
	<u>16,472</u>	<u>8,097</u>

5. Operating loss

The operating loss is stated after charging:

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	12	5
Exchange differences	-	(1)
Fees payable to the Company's auditor	<u>13</u>	<u>13</u>

6. Auditor's remuneration

	2020	2019
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>13</u>	<u>13</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Employees

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

	2020	2019
	£000	£000
Wages and salaries	2,340	2,003
Social security costs	273	232
Cost of defined contribution scheme	83	66
	<u>2,696</u>	<u>2,301</u>

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

	2020	2019
	No.	No.
Production	29	22
Office and management	33	31
	<u>62</u>	<u>53</u>

8. Directors' remuneration

	2020	2019
	£000	£000
Directors' emoluments	237	276
Company contributions to defined contribution pension schemes	16	18
	<u>253</u>	<u>294</u>

During the year retirement benefits were accruing to 3 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £79 thousand (2019 - £78 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6 thousand (2019 - £6 thousand).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Taxation

	2020 £000	2019 £000
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

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

	2020 £000	2019 £000
Profit on ordinary activities before tax	(490)	(427)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(93)	(81)
Effects of:		
Expenses not deductible for tax purposes	-	1
Utilisation and movement of tax losses	(5)	17
Group relief	98	63
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has tax losses of £1,134k (2019 - £1,549k) available for set off against future taxable income. A deferred tax asset in respect of the losses has not been recognised. The amount of unrecognised deferred tax asset by reference to the total available tax losses as noted is approximately £215k (2019 - £267k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Tangible fixed assets

	Stamp Duty £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings and computers £000	Total £000
Cost or valuation					
At 1 April 2019	11	174	42	20	247
Additions	-	1	-	12	13
Disposals	-	-	(12)	-	(12)
At 31 March 2020	11	175	30	32	248
Depreciation					
At 1 April 2019	11	174	42	10	237
Charge for the year on owned assets	-	1	-	11	12
Disposals	-	-	(12)	-	(12)
At 31 March 2020	11	175	30	21	237
Net book value					
At 31 March 2020	-	-	-	11	11
At 31 March 2019	-	-	-	10	10

11. Stocks

	2020 £000	2019 £000
Raw materials and consumables	58	138

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Debtors

	2020 £000	2019 £000
Trade debtors	2,039	1,276
Amounts owed by group undertakings	1,675	2,060
Prepayments and accrued income	112	96
Amounts recoverable on long term contracts	755	621
	<u>4,581</u>	<u>4,053</u>

13. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	<u>1,090</u>	<u>508</u>

The Bank of Scotland hold a debenture charge over all assets of the Company.

14. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	2,279	1,055
Amounts owed to group undertakings	75	28
Other taxation and social security	246	142
Accruals and deferred income	463	317
	<u>3,063</u>	<u>1,542</u>

15. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

The Company has one class of ordinary shares which carry voting rights but no rights to fixed income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Reserves**Profit & loss account**

This reserve represents the cumulative profits and losses less dividends paid.

17. Contingent liabilities

The company has given an unlimited multilateral banking guarantee against the banking facilities of the ultimate parent company and its fellow subsidiaries, excluding Hurst Plastics Limited.

18. Pension commitments

The Company operates a defined contributions 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 £83k (2019 - £66k). Contributions totalling £9k (2019 - £12k) were payable to the fund at the reporting date.

19. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£000	£000
Not later than 1 year	104	149
Later than 1 year and not later than 5 years	98	266
	<u>202</u>	<u>415</u>

A total of £98k was recognised as an operating lease expense in the period (2019: £141k).

20. Related party transactions

The company is a wholly-owned member of Hurst Group (Northern) Limited and as such has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly-owned members of the Group.

During the year the Company made sales with other related parties totalling £10k (2019 - £nil).

The following amounts were due from related parties at the year end:

	2020	2019
	£000	£000
Other related parties	<u>26</u>	<u>18</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Post balance sheet events

The COVID-19 pandemic begun on 23 March 2020. Although this was prior to the year of the Company, the resultant significant global economic impact of the pandemic materialised after the year end. The Directors consider the COVID-19 pandemic to be a significant but non-adjusting event to the Company. The Company has considered the impact on the Company's ability to continue as a going concern within note 2.3.

There has been no other significant events affecting the Company since the year end.

22. Controlling party

The immediate and ultimate parent company is Hurst Group (Northern) Limited by virtue of its 100% shareholding in Hurst Stores and Interiors Limited. N R Hurst and J E Hurst are the controlling parties by virtue of their controlling interest in Hurst Group (Northern) Limited.

Hurst Stores and Interiors Limited is included withi within the Hurst Group (Northern) Limited consolidated financial statements which can be obtained from their registered office, Aynsley House, Common Road, Low Moor, Bradford, West Yorkshire BD12 0UF.

23. Adoption of the triennial review of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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