

COMPANY REGISTRATION NUMBER: 1464224

C & W BERRY LIMITED
FINANCIAL STATEMENTS
31ST OCTOBER 2020



C & W BERRY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 2020

Contents	Pages
Officers and professional advisers	1
Strategic report	2 to 3
Directors' report	4 to 6
Independent auditor's report to the members	7 to 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 to 24

C & W BERRY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

David John Berry
Gary William Higham
Peter Jones
Ian Richard Hunt
Martin Lambert

Company secretary

Gary William Higham

Registered office

Wellfield Sawmills
King Street
Leyland
PR25 2LE

Auditor

Whitehead & Aldrich
Chartered Accountants & Statutory Auditor
5 Ribblesdale Place
Preston
Lancashire
PR1 8BZ

Bankers

The Royal Bank of Scotland plc
165 Towngate
Leyland
PR25 2TE

C & W BERRY LIMITED

STRATEGIC REPORT

YEAR ENDED 31ST OCTOBER 2020

A FAIR REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of timber, builders', plumbers' and electrical merchants.

The directors are as satisfied as can be expected with the trading results for the year under review given the tumultuous trading conditions brought about by the global pandemic.

After taking into consideration Government guidelines and published medical advice, on 23rd March 2020 the Directors took an unprecedented step and closed the business due to the risks posed to customers, staff and suppliers from the Covid-19 Virus. The business remained closed for all but essential supplies to a small number of key sectors for a seven-week period. Upon re-opening, the business implemented many strict safety measures such as restricting to thirty, the number of customers entering the premises at any one time. This was managed through the adoption of a 'Pre-booked appointment' system. Further Covid mitigation measures were implemented such as safety screens at all customer facing locations, screens in canteens and offices, regular sanitising of buildings and mandatory face coverings.

Such was the reduction in demand on first re-opening that over 40% of the workforce remained at home on 90% of normal pay. In part, the financial burden of these extraordinary actions was offset by various Government initiatives such as the Coronavirus Job Retention Scheme and business rates relief. The Government should be commended for its swift action in this area, without which, the initial spread of the virus would have been even more severe and many more businesses would have failed. Trading remained subdued for the remainder of the financial year due to the self-imposed anti-covid measures adopted, despite most other merchants being fully open with few restrictions in place. The Directors estimate that the pandemic's impact on the results for the year was to reduce gross profit by £3m, as stated earlier though, government reliefs amounting to £1.35m offset this. Hopefully, the costly safety measures put in place by the Directors demonstrate the company's prioritisation of staff and customer health and wellbeing over profit.

The business' main entrance remained closed, and trading subdued, until after the lifting of the national lockdown at the end of Q1 2021. At the time of writing this report, the nation and economy was starting to return to some degree of normality but further challenges were becoming apparent in the supply chain. Such has been the level of demand for building products that manufacturing output hasn't been able to keep pace in several product areas. All our procurement staff are working extremely hard to try to ensure continuity of supply and stock levels that meet customer demand.

Thanks to the Company's re-investment policy, which has always been maintained, the business is in an extremely strong financial position which will enable it to endure any prolonged economic impact from the effects of Covid-19.

Development of the company's eCommerce offering continued during the year with further improvement and expansion planned for 2021 with the development of a new website and implementation of a new class leading business wide ERP system.

Expenditure on commercial vehicles and plant increased by £525k during the year which continues to demonstrate the company's desire to invest for future growth.

FUTURE DEVELOPMENTS

As mentioned above, whilst the current economic climate continues to be challenging for most businesses, the company will continue to maintain a tight control on its operating efficiency by mitigating potential risks and so ensuring that it remains in a position to benefit from opportunities as and when they arise.

KEY PERFORMANCE INDICATORS

The main financial Key Performance Indicators of the company are turnover, gross profit, staff costs, profit before tax and cash flow from operations.

C & W BERRY LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31ST OCTOBER 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The financial and other principal risks to which the company could be exposed and the way in which these are mitigated can be classified as follows:-

Credit risk

The company's principal financial assets are bank balances and trade debtors.

Risk to bank balances is mitigated by continually reviewing and appraising the risk/return profile of the banks with whom funds are placed and by utilising a spread of at least three separate banking institutions.

Risk from trade debtors is managed by utilising the skills and experience of our own credit management team and by maintaining a large and very diverse customer base. Customers to whom credit facilities are provided represent a well-diversified range of businesses in terms of size and business sector.

Liquidity and cash flow risk

The company monitors its day to day cash requirements and has a policy of maintaining a significant level of readily accessible liquid funds. To maximise the return on such liquid funds the company takes advantage of the bank's auto-switching facility which allows automatic transfers of surplus funds to be made to overnight money markets and back again.

Foreign exchange risk

The company has no exposure to exchange rate fluctuations as all purchase contracts are negotiated in sterling.

Market and economic risk

The company's performance is influenced by broader economic conditions as well as those in the construction sector and in particular the house building market. Exposure to this risk is mitigated by maintaining a very wide range of customer type in terms of business segment and also a very wide ranging product offering.

Competition risk

General competition risk is an issue for all businesses and particularly when exiting recession. That is why it has been important for the company to maintain and strengthen its staffing and customer service levels as well as its stock range and levels.

Interest rate risk

The company is not exposed to debit interest rate risk due to its zero gearing levels. However, as with most businesses, the company is aware of the potential indirect effect of interest rate rises on the demand for its products.

Risk to business from the Covid-19 virus

Most businesses have felt the economic impact of numerous national lockdowns due to Covid-19 to some extent or another, not just in the UK but around the world. The ultimate risk to any business is closure to prevent the spread of the infection. The Directors will take any necessary measures to try to prevent any further closures whilst at the same time keeping staff, customers and suppliers safe and secure. Working together we can mitigate the impact of Covid-19 on the wider economy.

This report was approved by the board of directors on 26th July 2021 and signed on behalf of the board by:

David Berry

D. J. BERRY
Director

C & W BERRY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST OCTOBER 2020

The directors present their report and the financial statements of the company for the year ended 31st October 2020.

Directors

The directors who served the company during the year were as follows:

David John Berry
Susan Louise Berry (resigned 22nd December 2020)
Gary William Higham
Peter Jones
Ian Richard Hunt
Martin Lambert

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Greenhouse gas emissions and energy consumption

Methodologies for energy and emissions calculations

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy came into effect on 1st April 2019. This regulation requires large unquoted companies to report on UK energy use, and the associated greenhouse gas (GHG) emissions, that relate to the consumption of fuel for the purposes of transport and the purchase of gas, electricity and other fuels by the company for its own use.

We have measured our direct emissions from fuel and processes and those emissions from purchased gas and electricity for the assets we operated for the period 1 November 2019 to 31 October 2020.

Energy usage for operated assets - Associated GHG emissions: 1,141.2 tCO₂e.

Intensity ratio - we have produced 25.8 tonnes of CO₂ per £1 million of sales.

Energy usage and consumption data was gathered throughout the year and this data was input into a carbon footprint calculator in order to calculate the associated greenhouse gas emissions.

Data was gathered for the consumption of energy as follows:

- Annual purchase of electricity for our own use in kWh
- Annual purchase of gas for our own use in kWh
- Annual purchase of fuel for our own use in Ltrs

Principal measures taken to increase energy efficiency

The Directors are committed to improving the energy efficiency of the company. As part of this, the company reviews its motor vehicle fleet on a regular basis, phasing out older, less fuel efficient vehicles and replacing when necessary, with new more efficient vehicles. Where appropriate we are also replacing older diesel powered fork-lift trucks and side-loaders with rechargeable electric powered alternatives. The company has committed to install LED lighting for both new installations and for replacement of existing units.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

C & W BERRY LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST OCTOBER 2020

Employee involvement

The company continues to develop a policy of direct and systematic communication on all relevant matters including the company's business and current market issues with employees. The company holds monthly department head meetings which are minuted and, as well as meeting minutes being displayed on all department notice boards, department heads are requested to discuss topics covered with their colleagues and to encourage constructive feedback. In addition, all directors' doors are open to all staff who may wish to consult on any business or personal issue. The company always strives to involve staff in any decisions which may affect them personally or their health, happiness or well-being in the workplace.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006, the company has chosen to set out the following information in the Strategic Report which would otherwise be required to be contained in the Directors' report:

- a fair review of the business;
- future developments; and
- key performance indicators; and
- principal risks and uncertainties

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

C & W BERRY LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST OCTOBER 2020

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 26th July 2021 and signed on behalf of the board by:

David Berry

D. J. BERRY
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C & W BERRY LIMITED

YEAR ENDED 31ST OCTOBER 2020

Opinion

We have audited the financial statements of C & W Berry Limited (the 'company') for the year ended 31st October 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 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 31st October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 C & W BERRY LIMITED (continued)

YEAR ENDED 31ST OCTOBER 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C & W BERRY LIMITED (continued)

YEAR ENDED 31ST OCTOBER 2020

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C & W BERRY
LIMITED** *(continued)*

YEAR ENDED 31ST OCTOBER 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Jonathan Hughes-Deane

Jonathan Hughes-Deane FCA (Senior Statutory Auditor)

For and on behalf of
Whitehead & Aldrich
Chartered Accountants & Statutory Auditor
5 Ribblesdale Place
Preston
Lancashire
PR1 8BZ

26th July 2021

C & W BERRY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST OCTOBER 2020

	Note	2020 £	2019 £
TURNOVER	4	44,255,547	55,591,723
Cost of sales		<u>(37,560,468)</u>	<u>(45,798,678)</u>
GROSS PROFIT		6,695,079	9,793,045
Distribution costs		<u>(558,582)</u>	<u>(699,801)</u>
Administrative expenses		<u>(4,165,626)</u>	<u>(4,401,023)</u>
Other operating income		<u>1,198,728</u>	<u>18,800</u>
OPERATING PROFIT	5	3,169,599	4,711,021
Other interest receivable and similar income	8	66,263	96,106
Interest payable and similar expenses	9	<u>(127)</u>	<u>(34)</u>
PROFIT BEFORE TAXATION		3,235,735	4,807,093
Tax on profit	10	<u>(623,783)</u>	<u>(922,202)</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>2,611,952</u>	<u>3,884,891</u>

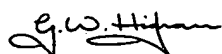
All the activities of the company are from continuing operations.

The notes on pages 15 to 24 form part of these financial statements.

C & W BERRY LIMITED**STATEMENT OF FINANCIAL POSITION****31ST OCTOBER 2020**

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		4,540,544		4,123,855
Investments	13		—		10,000
			<u>4,540,544</u>		<u>4,133,855</u>
CURRENT ASSETS					
Stocks	14	3,149,351		3,471,770	
Debtors	15	11,255,490		15,414,026	
Cash at bank and in hand		<u>9,937,109</u>		<u>8,033,216</u>	
		24,341,950		26,919,012	
CREDITORS: amounts falling due within one year	16	<u>1,514,659</u>		<u>4,902,484</u>	
NET CURRENT ASSETS			<u>22,827,291</u>		<u>22,016,528</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			27,367,835		26,150,383
PROVISIONS					
Taxation including deferred tax	17		<u>255,400</u>		<u>149,900</u>
NET ASSETS			<u>27,112,435</u>		<u>26,000,483</u>
CAPITAL AND RESERVES					
Called up share capital	20		4,900		4,900
Capital redemption reserve	21		100		100
Profit and loss account	21		<u>27,107,435</u>		<u>25,995,483</u>
SHAREHOLDERS FUNDS			<u>27,112,435</u>		<u>26,000,483</u>

These financial statements were approved by the board of directors and authorised for issue on 26th July 2021, and are signed on behalf of the board by:



G. W. HIGHAM
Director

Company registration number: 1464224

The notes on pages 15 to 24 form part of these financial statements.

C & W BERRY LIMITED**STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31ST OCTOBER 2020**

		Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
AT 1ST NOVEMBER 2018		4,900	100	24,110,592	24,115,592
Profit for the year		—	—	3,884,891	3,884,891
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	—	3,884,891	3,884,891
Dividends paid to parent company	11	—	—	(2,000,000)	(2,000,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		—	—	(2,000,000)	(2,000,000)
AT 31ST OCTOBER 2019		4,900	100	25,995,483	26,000,483
Profit for the year		—	—	2,611,952	2,611,952
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	—	2,611,952	2,611,952
Dividends paid to parent company	11	—	—	(1,500,000)	(1,500,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		—	—	(1,500,000)	(1,500,000)
AT 31ST OCTOBER 2020		4,900	100	27,107,435	27,112,435

The notes on pages 15 to 24 form part of these financial statements.

C & W BERRY LIMITED**STATEMENT OF CASH FLOWS****YEAR ENDED 31ST OCTOBER 2020**

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	2,611,952	3,884,891
<i>Adjustments for:</i>		
Depreciation of tangible assets	508,834	434,447
Other interest receivable and similar income	(66,263)	(96,106)
Interest payable and similar expenses	127	34
Tax on profit	623,783	922,202
Accrued expenses/(income)	143,509	(77,224)
<i>Changes in:</i>		
Stocks	322,419	(158,171)
Trade and other debtors	1,157,657	796,698
Trade and other creditors	(485,321)	(622,963)
Cash generated from operations	4,816,697	5,083,808
Interest paid	(127)	(34)
Interest received	66,263	96,106
Tax paid	(569,602)	(905,495)
Net cash from operating activities	<u>4,313,231</u>	<u>4,274,385</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(941,523)	(416,206)
Proceeds from sale of tangible assets	16,000	11,445
Proceeds from sale of other investments	10,000	–
Net cash used in investing activities	<u>(915,523)</u>	<u>(404,761)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Loan to)/proceeds from loans from group undertakings	(3,494,714)	2,994,694
Dividends paid to parent company	(1,500,000)	(2,000,000)
Loan from/(to) related party	3,500,899	(5,985,000)
Net cash used in financing activities	<u>(1,493,815)</u>	<u>(4,990,306)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,903,893	(1,120,682)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>8,033,216</u>	<u>9,153,898</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>9,937,109</u>	<u>8,033,216</u>

The notes on pages 15 to 24 form part of these financial statements.

C & W BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Wellfield Sawmills, King Street, Leyland, PR25 2LE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements and estimations that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- The estimated useful life of the tangible fixed assets and the depreciation rates used thereon.
- The valuation of investment property.
- The net realisable value of slow moving stock.
- The recoverability of the debtors.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST OCTOBER 2020****3. Accounting policies (continued)****Income tax (continued)**

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold buildings	-	2% on cost
Long leasehold property	-	2% on cost
Motor vehicles	-	25% on written down value
Plant and equipment:		
Computer equipment	-	20% on cost
Other	-	20% on written down value

No depreciation is provided on freehold land.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**YEAR ENDED 31ST OCTOBER 2020****3. Accounting policies** (continued)**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in bringing stocks to their present location and condition, including attributable overheads.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Defined contribution plans

The company contributes to personal defined contribution pension schemes through a stakeholder scheme. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

4. Turnover

Turnover arises from:

	2020 £	2019 £
Sale of goods	<u>44,255,547</u>	<u>55,591,723</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020 £	2019 £
Depreciation of tangible assets	508,834	434,447
Impairment of trade debtors	(35,298)	138,978
Operating lease costs - buildings	45,360	68,125
Auditor's remuneration - as auditor	19,100	18,500
Auditor's remuneration - accountancy and taxation services	1,000	1,000

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**YEAR ENDED 31ST OCTOBER 2020****6. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Average number of persons employed	<u>254</u>	<u>260</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	7,365,563	7,006,441
Social security costs	696,782	651,998
Other pension costs	254,310	267,606
	<u>8,316,655</u>	<u>7,926,045</u>

The above number of employees has not been analysed into categories because, in the directors' opinion, this would not be practicable because of the nature and variety of work performed by individual employees.

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	352,620	356,879
Company contributions to defined contribution pension plans	44,300	102,793
	<u>396,920</u>	<u>459,672</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2020	2019
	No.	No.
Defined contribution plans	<u>6</u>	<u>7</u>

Remuneration of the highest paid director in respect of qualifying services:

	2020	2019
	£	£
Aggregate remuneration	49,872	59,924
Company contributions to defined contribution pension plans	30,000	31,993
	<u>79,872</u>	<u>91,917</u>

8. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	<u>66,263</u>	<u>96,106</u>

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**YEAR ENDED 31ST OCTOBER 2020****9. Interest payable and similar expenses**

	2020	2019
	£	£
Other interest payable and similar charges	<u>127</u>	<u>34</u>

10. Tax on profit**Major components of tax expense**

	2020	2019
	£	£
Current tax:		
UK current tax expense	518,270	902,000
Adjustments in respect of prior periods	<u>13</u>	<u>202</u>
Total current tax	<u>518,283</u>	<u>902,202</u>
Deferred tax:		
Origination and reversal of timing differences	<u>105,500</u>	<u>20,000</u>
Tax on profit	<u>623,783</u>	<u>922,202</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit on ordinary activities before taxation	<u>3,235,735</u>	<u>4,807,093</u>
Profit on ordinary activities by rate of tax	614,790	913,348
Adjustment to tax charge in respect of prior periods	<u>13</u>	<u>202</u>
Effect of expenses not deductible for tax purposes	(1,605)	2,111
Effect of capital allowances and depreciation	(94,916)	(13,455)
Rounding on tax charge	<u>1</u>	<u>(4)</u>
Deferred taxation - accelerated capital allowances	103,600	21,900
Deferred taxation - pension plan obligations	<u>1,900</u>	<u>(1,900)</u>
Tax on profit	<u>623,783</u>	<u>922,202</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2020	2019
	£	£
Equity dividends to parent company	<u>1,500,000</u>	<u>2,000,000</u>

Equity dividends were paid to the parent undertaking during the year to fund capital projects.

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST OCTOBER 2020****12. Tangible assets**

	Freehold land and buildings £	Long leasehold property £	Investment property £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 November						
2019	378,223	2,028,775	890,228	2,293,223	1,766,400	7,356,849
Additions	—	—	—	626,479	315,044	941,523
Disposals	—	—	—	(36,004)	(149,410)	(185,414)
At 31 October 2020	378,223	2,028,775	890,228	2,883,698	1,932,034	8,112,958
Depreciation						
At 1 November						
2019	59,212	457,554	—	1,771,430	944,798	3,232,994
Charge for the year	3,604	40,576	—	171,367	293,287	508,834
Disposals	—	—	—	(29,154)	(140,260)	(169,414)
At 31 October 2020	62,816	498,130	—	1,913,643	1,097,825	3,572,414
Carrying amount						
At 31 October 2020	315,407	1,530,645	890,228	970,055	834,209	4,540,544
At 31 October 2019	319,011	1,571,221	890,228	521,793	821,602	4,123,855

The directors believe the fair value of the investment property at 31st October 2020 is equivalent to the original cost on 19th February 2016 and have therefore not obtained an independent valuation.

Included in freehold land and buildings is land amounting to £197,982 (2019 - £197,982) which has not been depreciated.

Capital commitments

	2020 £	2019 £
Contracted for but not provided for in the financial statements	—	498,480

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**YEAR ENDED 31ST OCTOBER 2020****13. Investments**

	Other investments other than loans £
Cost	
At 1st November 2019	10,000
Disposals	(10,000)
At 31st October 2020	<u>—</u>
Impairment	
At 1st November 2019 and 31st October 2020	<u>—</u>
Carrying amount	
At 31st October 2020	<u>—</u>
At 31st October 2019	<u>10,000</u>

14. Stocks

	2020 £	2019 £
Goods for resale	3,135,920	3,456,242
Other	13,431	15,528
	<u>3,149,351</u>	<u>3,471,770</u>

15. Debtors

	2020 £	2019 £
Trade debtors	7,524,675	9,004,304
Amounts owed by group undertakings	500,020	—
Prepayments and accrued income	310,582	416,322
Corporation tax repayable	330,272	—
Amounts owed by related party	2,484,101	5,985,000
Other debtors	105,840	8,400
	<u>11,255,490</u>	<u>15,414,026</u>

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**YEAR ENDED 31ST OCTOBER 2020****16. Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	430,497	824,257
Amounts owed to group undertakings	–	2,994,694
Accruals and deferred income	916,906	773,397
Corporation tax	–	51,319
Social security and other taxes	166,156	257,717
Other creditors	1,100	1,100
	<u>1,514,659</u>	<u>4,902,484</u>

17. Provisions

	Deferred tax (note 18) £
At 1st November 2019	149,900
Additions	105,500
At 31st October 2020	<u>255,400</u>

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020 £	2019 £
Included in provisions (note 17)	<u>255,400</u>	<u>149,900</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020 £	2019 £
Accelerated capital allowances	263,800	160,200
Pension plan obligations	<u>(8,400)</u>	<u>(10,300)</u>
	<u>255,400</u>	<u>149,900</u>

19. Employee benefits**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £254,310 (2019: £267,606).

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**YEAR ENDED 31ST OCTOBER 2020****20. Called up share capital**

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>

21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

22. Analysis of changes in net debt

	At 1 November 2019 £	Cash flows £	At 31 October 2020 £
Cash at bank and in hand	8,033,216	1,903,893	9,937,109
Debt due within one year	(2,994,694)	2,994,694	-
	<u>5,038,522</u>	<u>4,898,587</u>	<u>9,937,109</u>

23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	68,125	68,125
Later than 1 year and not later than 5 years	272,500	272,500
Later than 5 years	<u>4,080,629</u>	<u>4,148,754</u>
	<u>4,421,254</u>	<u>4,489,379</u>

C & W BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST OCTOBER 2020

24. Related party transactions

Consolidated financial statements of C.W.B.G Limited have been prepared and will be filed with the Registrar of Companies. As a wholly owned subsidiary undertaking of this group, the company is exempt from disclosure of transactions with the parent undertaking.

C & W Berry Trading Limited

This company is a related party by virtue of the fact the two companies have the following common directors:

Mr. D. J. Berry
Ms. S. L. Berry
Mr. G. W. Higham

Debtors includes a balance of £2,484,101 owed by C & W Berry Trading Limited and this was repaid on 2nd December 2020.

25. Controlling party

The company is a wholly owned subsidiary undertaking of C. W. B. G Limited, a company registered in England and Wales (company registration number - 8261788). The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.