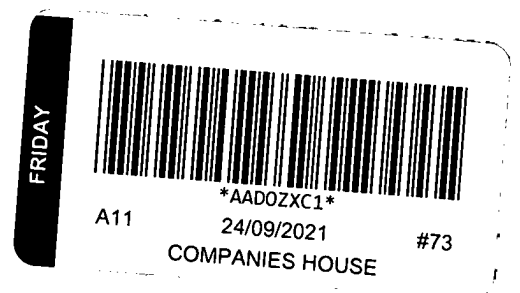


Company Registration No. 01477293 (England and Wales)

**QUARRY MANUFACTURING AND SUPPLIES  
LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020**



# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P R Beck M R Beck J R Beck C R Beck N D Beck
<b>Secretary</b>	M R Beck
<b>Company number</b>	01477293
<b>Registered office</b>	Grange Road Bardon Hill Coalville Leicestershire LE67 1TH
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Rivermead House 7 Lewis Court Grove Park Leicester Leicestershire LE19 1SD
<b>Business address</b>	Grange Road Bardon Hill Coalville Leicestershire LE67 1TH

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# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present the strategic report for the year ended 31 December 2020.

### **Fair review of the business and future developments**

The management team and directors are pleased with the performance of the company given this was achieved during the Covid-19 pandemic and continued backdrop of economic uncertainty surrounding Brexit.

Despite unprecedented circumstances turnover has risen by 3.1% to £8,222k and profit before tax has increased by £637k.

The effects of Covid-19 had a significant impact on sales orders during the first UK and European lockdowns and into the early summer. We were able to minimise the impact of the pandemic by reacting quickly and introducing structural changes to enable the business to remain open and to continue manufacturing throughout the pandemic. Our global presence allowed risk to be spread across multiple geographic markets. A focus on cutting administrative overheads and limited use of the furlough scheme saw our expenses decrease on 2019.

The company's significant stock holding ensured the company was able to maintain the supply of goods to our customers despite pressure on supply lines caused by the pandemic, Brexit and global shipping disruption.

At the end of the year the company had shareholders' funds of £8.2m (2019: £7.4m) including distributable reserves of £8.2m (2019: £7.4m) giving a strong financial position, particularly given the net current assets position at the year-end was £7.60m (2019: £6.67m) and cash reserves of £3.11m (2019: £1.31m).

Sales in 2021 are strong and the company is well positioned to continue with our growth strategy and investment in our infrastructure.

### **Principal risks and uncertainties**

The directors believe the principal risk facing the company to be the potential impact of the global macro-economic environment on the business including fluctuating exchange rates, the uncertainty over Brexit, rising prices and the Covid-19 pandemic.

Material costs and general operating costs are increasing, and the cost of shipping remains high, this is a macro-economic factor and there remains uncertainty over how long prices will remain high. We are managing this through careful control of stock flow, productivity and efficiency gains, and where appropriate price increases.

The Covid-19 pandemic adds to the uncertainty although the vaccine rollout and measures we have taken mitigate any potential negative impact.

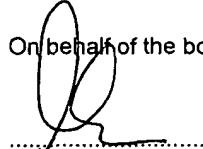
We have taken steps to prepare for Brexit and feel confident to meet any uncertainty now the UK has left the EU.

The company is exposed to economic currency fluctuations as most of its trading is denominated in euros and dollars. The company manages this risk by actively monitoring exchange rates, utilising natural hedging and where appropriate hedging agreements against foreign exchange variances.

### **Financial risk management objectives and policies**

The company made use of financial instruments only through the operation of bank accounts and other basic means. The directors believe the company's exposure to price risk, credit risk, liquidity risk and cash flow is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

On behalf of the board



C R Beck  
Director

Date: ...21/9/21....

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

#### Principal activities

The principal activities of the company continued to be that of the manufacture of machinery and processing equipment for the mining, quarrying, recycling and demolition industries.

#### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £135,000. The directors do not recommend payment of a further dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P R Beck  
M R Beck  
J R Beck  
C R Beck  
N D Beck

(Appointed 22 May 2020)

#### Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a fair review of its business, future developments and its principal risks and uncertainties.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



C R Beck  
Director

Date: 21/9/21

# **QUARRY MANUFACTURING AND SUPPLIES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUARRY MANUFACTURING AND SUPPLIES LIMITED**

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## **Opinion**

We have audited the financial statements of Quarry Manufacturing and Supplies Limited (the 'company') for the year ended 31 December 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 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 December 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUARRY MANUFACTURING AND SUPPLIES LIMITED (CONTINUED)**

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### **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 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 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUARRY MANUFACTURING AND SUPPLIES LIMITED (CONTINUED)**

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety and environmental protection. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud.

Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments
- evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- testing the recognition of a sample of revenue items both pre and post year end with reference to the relevant shipping documentation and reviewing the appropriateness of journal entries in relation to our high risk journals.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### **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.

*RSM UK Audit LLP*

Gareth Jones (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Rivermead House  
7 Lewis Court  
Grove Park  
Leicester  
Leicestershire, LE19 1SD  
23/09/2021  
.....



# QUARRY MANUFACTURING AND SUPPLIES LIMITED

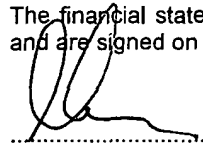
## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	8,221,937	7,970,558
Cost of sales		(5,215,108)	(5,346,770)
<b>Gross profit</b>		<b>3,006,829</b>	<b>2,623,788</b>
Administrative expenses		(1,955,876)	(2,151,127)
Other operating income		55,599	-
<b>Operating profit</b>	<b>6</b>	<b>1,106,552</b>	<b>472,661</b>
Interest receivable and similar income	7	518	536
Interest payable and similar expenses	8	(43)	-
<b>Profit before taxation</b>		<b>1,107,027</b>	<b>473,197</b>
Tax on profit	9	(208,749)	(49,922)
<b>Profit for the financial year</b>		<b>898,278</b>	<b>423,275</b>

**QUARRY MANUFACTURING AND SUPPLIES LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11		670,694		855,419
<b>Current assets</b>					
Stocks	12	4,610,032		5,267,170	
Debtors	13	2,307,693		1,690,499	
Cash at bank and in hand		3,112,919		1,312,504	
		10,030,644		8,270,173	
<b>Creditors: amounts falling due within one year</b>	14	(2,429,283)		(1,606,778)	
<b>Net current assets</b>			7,601,361		6,663,395
<b>Total assets less current liabilities</b>			8,272,055		7,518,814
<b>Provisions for liabilities</b>	15		(78,144)		(88,181)
<b>Net assets</b>			8,193,911		7,430,633
<b>Capital and reserves</b>					
Called up share capital	18		29,204		29,204
Profit and loss reserves	19		8,164,707		7,401,429
<b>Total equity</b>			8,193,911		7,430,633

The financial statements were approved by the board of directors and authorised for issue on 21/9/21.....  
and are signed on its behalf by:



C R Beck  
Director

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		29,204	6,978,154	7,007,358
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	423,275	423,275
<b>Balance at 31 December 2019</b>		29,204	7,401,429	7,430,633
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	898,278	898,278
Dividends	10	-	(135,000)	(135,000)
<b>Balance at 31 December 2020</b>		29,204	8,164,707	8,193,911

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

#### Company information

Quarry Manufacturing and Supplies Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Grange Road, Bardon Hill, Coalville, Leicestershire, LE67 1TH. The principal place of business is Grange Road, Bardon Hill, Coalville, LE67 1TH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", including the adoption of the amendments issued in December 2017, ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Peter R. Beck Engineering Services Limited. These consolidated financial statements are available from its registered office, Forest View, 108 Thornton Lane, Markfield, Coalville, Leicestershire, LE67 9RP.

#### Going concern

The financial statements have been prepared on a going concern basis. The directors have carried out a detailed review, covering the period to 31 December 2022 having considered its order book going forward and their ability to fulfil this demand. Having considered this, the company's resources, and the challenges presented by the current economic climate and the impact of the Covid-19 outbreak, the directors are satisfied that based on the current level of cash reserves and its stock holding, the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have transferred to the customer.

Turnover from the sale of goods is recognised when goods are despatched and legal title has passed, and the company has no continuing managerial involvement associated with ownership or effective control of the goods sold.

Turnover from the provision of services is recognised on performance of the service and when all the significant risks and rewards are deemed to be transferred.

#### Tangible fixed assets

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

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

Leasehold property improvements	20% straight line basis
Plant and equipment	30% reducing balance basis
Fixtures and fittings	15% or 33.3% reducing balance basis
Motor vehicles	25% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The company has a policy of capitalising all fixed assets of over £5,000.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **Stocks (continued)**

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies (Continued)

##### **Basic financial liabilities**

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies (Continued)

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

### 2 Judgements and key sources of estimation uncertainty

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

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



# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Stocks

Stocks are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecasts of consumer demand, the promotional, competitive and economic environment and stock loss trends. At 31 December 2020 the company had stocks of £4,610,032 (2019: £5,267,170).

#### Depreciation

The assessment of the useful economic lives, residual values and the method of depreciating tangible fixed assets requires judgement. Depreciation and is charged to the income statement based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets. Useful economic lives and residual values are re-assessed, and amended as necessary, when changes in their circumstances are identified. The carrying amount of tangible fixed assets at 31 December 2020 was £670,694 (2019: £855,419), and depreciation of £250,786 (2019: £304,699) has been charged in the year.

#### Impairment of debtors

Debtors are stated at recoverable amounts, after appropriate impairment for bad and doubtful debts. Calculation of the bad debt impairment requires judgment from the management team, based on the creditworthiness of the debtor, the agency profile of the debtor, and the historical experience. See note 13 for the recoverable amount of debtors.

### 3 Turnover

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Manufacture and supply of processing equipment	8,221,937	7,970,558
	<u>8,221,937</u>	<u>7,970,558</u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	2,842,719	3,269,390
Europe	4,404,825	3,970,288
North America	224,835	275,645
Rest of the world	749,558	455,235
	<u>8,221,937</u>	<u>7,970,558</u>

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Direct staff	27	31
Indirect staff	17	18
Management	5	5
Total	49	54

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,418,310	1,601,459
Social security costs	133,163	152,458
Pension costs	37,757	45,747
	1,589,230	1,799,664

### 5 Directors' remuneration

The directors are remunerated through Peter R. Beck Engineering Services Limited, the company's parent. Remuneration received by the directors through the parent company which would be attributable to their work for the company totalled £289,053 (2019: £164,175).

### 6 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	(98,967)	18,668
Government grants	(55,599)	-
Fees payable to the company's auditor for the audit of the company's financial statements	14,000	12,500
Depreciation of owned tangible fixed assets	250,786	304,699
Loss/(profit) on disposal of tangible fixed assets	3,446	(5,152)
Operating lease charges	74,458	88,348

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a profit of £98,967 (2019: loss of £18,668).

Government grants relate to monies received in respect of Coronavirus Job Retention Scheme.

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Interest receivable and similar income

	2020	2019
	£	£
<b>Interest income</b>		
Interest on bank deposits	513	518
Other interest income	5	18
	<u>518</u>	<u>536</u>
Total income	<u>518</u>	<u>536</u>

### 8 Interest payable and similar expenses

	2020	2019
	£	£
Other interest	43	-
	<u>43</u>	<u>-</u>

### 9 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	223,390	59,807
Adjustments in respect of prior periods	(4,604)	(11,177)
	<u>218,786</u>	<u>48,630</u>
Total current tax	<u>218,786</u>	<u>48,630</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(20,412)	1,292
Changes in tax rates	10,375	-
	<u>(10,037)</u>	<u>1,292</u>
Total deferred tax	<u>(10,037)</u>	<u>1,292</u>
Total tax charge	<u>208,749</u>	<u>49,922</u>

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,107,027	473,197
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	210,335	89,907
Tax effect of expenses that are not deductible in determining taxable profit	465	730
Adjustments in respect of prior years	(4,604)	(11,177)
Group relief	(7,821)	-
Research and development tax credit	-	(29,385)
Effect of changes in taxation rates	10,374	(153)
Taxation charge for the year	208,749	49,922

#### Factors that may affect future tax charge

Following the March 2020 budget, legislation is being put in place for the main rate of corporation tax to remain at 19% from 1 April 2020 instead of reducing to 17%. The deferred tax balances within these financial statements have been calculated at 19%.

### 10 Dividends

	2020 £	2019 £
Final paid	135,000	-

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 11 Tangible fixed assets

	Leasehold property improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2020	37,373	2,102,549	108,691	499,859	2,748,472
Additions	-	14,900	6,972	63,918	85,790
Disposals	-	(13,200)	-	(97,509)	(110,709)
At 31 December 2020	37,373	2,104,249	115,663	466,268	2,723,553
<b>Depreciation and impairment</b>					
At 1 January 2020	36,473	1,507,978	70,518	278,084	1,893,053
Depreciation charged in the year	900	180,774	12,271	56,841	250,786
Eliminated in respect of disposals	-	(6,299)	-	(84,681)	(90,980)
At 31 December 2020	37,373	1,682,453	82,789	250,244	2,052,859
<b>Carrying amount</b>					
At 31 December 2020	-	421,796	32,874	216,024	670,694
At 31 December 2019	900	594,571	38,173	221,775	855,419

#### 12 Stocks

	2020 £	2019 £
Raw materials and consumables	4,114,836	4,977,246
Work in progress	495,196	289,924
	<u>4,610,032</u>	<u>5,267,170</u>

#### 13 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,193,214	1,575,541
Other debtors	55,442	57,031
Prepayments and accrued income	59,037	57,927
	<u>2,307,693</u>	<u>1,690,499</u>

During the year bad debt losses of £211 (2019: £4,151) were recognised in respect of trade debtors.

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,906,897	1,096,408
Amounts owed to group undertakings	85,915	297,207
Corporation tax	223,390	59,807
Other taxation and social security	44,625	77,506
Other creditors	32,338	39,689
Accruals and deferred income	136,118	36,161
	<u>2,429,283</u>	<u>1,606,778</u>

### 15 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	16	<u>78,144</u>	<u>88,181</u>

### 16 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	78,144	89,703
Short term timing differences	-	(1,522)
	<u>78,144</u>	<u>88,181</u>

	2020 £
<b>Movements in the year:</b>	
Liability at 1 January 2020	88,181
Credit to profit or loss	(20,412)
Effect of change in tax rate - profit or loss	10,375
Liability at 31 December 2020	<u>78,144</u>

The deferred tax liability set out above relates to accelerated capital allowances that are expected to mature and reverse over the life of the assets to which they relate.

# QUARRY MANUFACTURING AND SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 17 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	37,757	45,747

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At 31 December 2020 there were £8,711 (2019: £8,638) of contributions outstanding which are included within other creditors.

### 18 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	29,204	29,204	29,204	29,204

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

### 19 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 20 Related party transactions

The company is a subsidiary of Peter R. Beck Engineering Services Limited.

During the year, the company incurred management charges of £247,500 (2019: £270,000) from Peter R. Beck Engineering Services Limited. At the year end, £85,915 (2019: £297,207) was owed to Peter R. Beck Engineering Services Limited.

During the year, the directors loan accounts were debited with drawings of £nil (2019: £1,003). At the year end, £14,766 (2019: £14,766) was owed to the directors in respect of their loan accounts. The loans are unsecured and interest free, and are included within other creditors in these financial statements.

### 21 Ultimate controlling party

The ultimate parent company is Peter R. Beck Engineering Services Limited, a company registered in England and Wales. It is also the smallest and largest group for which consolidated accounts including Quarry Manufacturing and Supplies Limited are prepared. The consolidated accounts of Peter R. Beck Engineering Services Limited are available from its place of business at Forest View, 108 Thornton Lane, Markfield, Leicestershire, LE67 9RP.

Mr P R Beck and Mrs M R Beck own 76% of the issued share capital of Peter R. Beck Engineering Services Limited and are therefore considered to be the ultimate controlling parties.