

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2019
for
Aanco (UK) Limited**

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for the Year Ended 31 December 2019

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DIRECTORS:

A R Gaunt
B Gaunt

REGISTERED OFFICE:

Made For Trade
Wellington House
Wynyard Avenue, Wynyard
Billingham
TS22 5TB

REGISTERED NUMBER:

01777602 (England and Wales)

AUDITORS:

Davies Tracey
Swan House
Westpoint Road
Teesdale Business Park
Stockton on Tees
TS17 6BP

**Strategic Report
for the Year Ended 31 December 2019**

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The principal activities of the company are design and manufacture of Aluminium Bi-folding doors, Aluminium Roof Lanterns and Global Conservatory roof systems to trade partners nationally under the trading name of 'Made For Trade' and the Korniche brand.

Under these products the company's business continues to grow, with turnover increasing in the year by almost £6.8m (or 35%) to £26.0m. The gross margin for the company fell slightly from 31% to 29%. The net effect of the rise in turnover was an increase in gross profits of £1.6m to £7.6m. To achieve this growth and prepare for further expansion the company spent an extra £1.3m on overheads which rose to £3.6m. The net effect of the increases in gross profit and overheads was an increase to in profits before tax of £300,000 to £4.0m.

After deducting a tax charge of £579,000 and paying dividends of £768,000, the company retained profits of £2.6m and so net assets increased by this amount to £6.8m. Cash rose by £336,000 and net current assets rose by £939,000 to stand at £4.7m and £3.8m, respectively, at balance sheet date.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors expect that the company will continue to trade profitably for the foreseeable future. Brexit is a concern as significant amounts of extruded Aluminium profile is sourced from the EU and used in the production of Bi-folding doors and Korniche roof lanterns. This carries the risk of currency exchange variations and transportation delays, however as the company already carries significant buffer stocks we believe that this risk can be managed.

At the time of writing (November 2020) the Covid 19 virus has created a huge disruption to people's lives and businesses. The company although losing 2 months of production and sales (April/May) has continued to produce strong sales and is on target to exceed 2019 sales and profitability.

ON BEHALF OF THE BOARD:

B Gaunt - Director

17 November 2020

**Report of the Directors
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

Interim dividends totalling £768,000 were declared during the year. The directors recommend that no final dividend be paid.

RESEARCH AND DEVELOPMENT

The company continues to invest with further expansion of the R&D department for future invention and design.

FUTURE DEVELOPMENTS

2019 has seen the in house designed Korniche Aluminium Roof Lantern take the market by storm, weekly sales are growing at pace and, with the company's aggressive marketing, has achieved real prominence, quickly becoming a market leading brand.

Sales of the Aluminium Bi-folding Door have been really impressive too in an ever more competitive market which bodes well for the introduction of the new in house designed Korniche Bi-folding Door now planned to be unveiled early in 2021. The prototype made its debut at the 2019 industry 'Fit Show' and was well received as it displayed many new innovative features; now market ready we are confident it will make a real impact in the coming years.

A development that we were not aware of at the beginning of 2020 was the demise of systems company Aperture, supplier of the company's Conservatory Roof System, 'Global'. This caused disruption to the supply chain and with the massive growth in the glazed extension market to the detriment of the conservatory market the company took the view that there was not any real growth potential and the decision was taken to withdraw the Global Conservatory Roof from the market. The impact of this to the company as a result of this decision has been minimal.

The company expanded its production space by 110,000 sq ft at the Wynyard Business Park situated north of Teesside beside the busy A19 motorway. This large space now houses all Bi-fold production, distribution and the company's new headquarters. 20,000 sq ft of offices have been completely re-designed and upgraded into a very attractive and functioning space which includes a large canteen and Gymnasium for the use of all employees.

With future growth in mind a further 50,000 sq ft of production space in nearby Hartlepool close to the A19 motorway has been earmarked to house the manufacture and production of another new addition to the product range in early 2021.

The directors are pleased with the company's progress to date and are confident that the enlarged manufacturing and distributing capabilities, aligned with new company designed products, will have a positive impact going forward.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

A R Gaunt
B Gaunt

Other changes in directors holding office are as follows:

Mrs C L Gaunt ceased to be a director after 31 December 2019 but prior to the date of this report.

**Report of the Directors
for the Year Ended 31 December 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

B Gaunt - Director

17 November 2020

Opinion

We have audited the financial statements of Aanco (UK) Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Christopher Neasham (Senior Statutory Auditor)
for and on behalf of Davies Tracey
Swan House
Westpoint Road
Teesdale Business Park
Stockton on Tees
TS17 6BP

17 November 2020

**Statement of Comprehensive Income
for the Year Ended 31 December 2019**

	Notes	2019 £	£	2018 £	£
TURNOVER			26,000,361		19,210,410
Other operating income			<u>212,782</u>		<u>137,559</u>
			26,213,143		19,347,969
Raw materials and consumables			<u>14,910,817</u>		<u>10,821,845</u>
			11,302,326		8,526,124
Staff costs	3	3,815,336		2,591,579	
Depreciation		479,364		279,763	
Other operating expenses		<u>2,987,170</u>		<u>1,959,308</u>	
			7,281,870		4,830,650
			4,020,456		3,695,474
Interest receivable and similar income			<u>9,885</u>		<u>3,302</u>
			4,030,341		3,698,776
Interest payable and similar expenses	4		<u>22,085</u>		<u>30,131</u>
PROFIT BEFORE TAXATION	5		4,008,256		3,668,645
Tax on profit	6		<u>579,090</u>		<u>659,817</u>
PROFIT FOR THE FINANCIAL YEAR			3,429,166		3,008,828
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			3,429,166		3,008,828

The notes form part of these financial statements

Balance Sheet
31 December 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	8		150,630		112,157
Tangible assets	9		<u>3,420,380</u>		<u>1,727,595</u>
			3,571,010		1,839,752
CURRENT ASSETS					
Stocks	10	1,963,246		1,553,722	
Debtors	11	1,846,812		1,002,171	
Cash at bank and in hand		<u>4,729,485</u>		<u>4,393,779</u>	
		8,539,543		6,949,672	
CREDITORS					
Amounts falling due within one year	12	<u>4,691,720</u>		<u>4,040,908</u>	
NET CURRENT ASSETS			3,847,823		2,908,764
TOTAL ASSETS LESS CURRENT LIABILITIES			7,418,833		4,748,516
CREDITORS					
Amounts falling due after more than one year	13		(268,296)		(423,083)
PROVISIONS FOR LIABILITIES	17		<u>(282,780)</u>		<u>(118,842)</u>
NET ASSETS			6,867,757		4,206,591
CAPITAL AND RESERVES					
Allotted, called up and fully paid share capital	18		20,000		20,000
Retained earnings	19		<u>6,847,757</u>		<u>4,186,591</u>
SHAREHOLDERS' FUNDS			6,867,757		4,206,591

The financial statements were approved the Board of Directors and authorised for issue on 17 November 2020 and were signed on its behalf by:

B Gaunt - Director

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Allotted, called up and fully paid share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	20,000	1,845,763	1,865,763
Changes in equity			
Profit for the year	-	3,008,828	3,008,828
Total comprehensive income	-	3,008,828	3,008,828
Dividends	-	(668,000)	(668,000)
Balance at 31 December 2018	20,000	4,186,591	4,206,591
Changes in equity			
Profit for the year	-	3,429,166	3,429,166
Total comprehensive income	-	3,429,166	3,429,166
Dividends	-	(768,000)	(768,000)
Balance at 31 December 2019	20,000	6,847,757	6,867,757

Cash Flow Statement
for the Year Ended 31 December 2019

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	4,561,382	4,374,009
Interest paid		(6,631)	(7,345)
Interest element of hire purchase payments paid		(15,454)	(22,786)
Tax paid		(1,022,348)	(219,753)
Net cash from operating activities		<u>3,516,949</u>	<u>4,124,125</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(56,873)	(54,729)
Purchase of tangible fixed assets		(2,153,749)	(321,432)
Sale of tangible fixed assets		-	2,125
Interest received		9,885	3,302
Net cash from investing activities		<u>(2,200,737)</u>	<u>(370,734)</u>
Cash flows from financing activities			
Loan repayments in year		(23,012)	(22,505)
Capital repayments in year		(189,494)	(245,964)
Equity dividends paid		(768,000)	(668,000)
Net cash from financing activities		<u>(980,506)</u>	<u>(936,469)</u>
Increase in cash and cash equivalents		<u>335,706</u>	<u>2,816,922</u>
Cash and cash equivalents at beginning of year	2	<u>4,393,779</u>	<u>1,576,857</u>
Cash and cash equivalents at end of year	2	<u>4,729,485</u>	<u>4,393,779</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before taxation	4,008,256	3,668,645
Depreciation charges	479,364	281,888
Profit on disposal of fixed assets	-	(2,125)
Finance costs	22,085	30,131
Finance income	(9,885)	(3,302)
	4,499,820	3,975,237
Increase in stocks	(409,524)	(467,307)
Increase in trade and other debtors	(844,641)	(426,689)
Increase in trade and other creditors	1,315,727	1,292,768
Cash generated from operations	4,561,382	4,374,009

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	4,729,485	4,393,779

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	4,393,779	1,576,857

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Cash at bank and in hand	4,393,779	335,706	4,729,485
	4,393,779	335,706	4,729,485
Debt			
Finance leases	(448,296)	189,494	(258,802)
Debts falling due within 1 year	(22,407)	(1,293)	(23,700)
Debts falling due after 1 year	(164,282)	24,305	(139,977)
	(634,985)	212,506	(422,479)
Total	3,758,794	548,212	4,307,006

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

Aanco (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Turnover

The company's turnover represents the value of goods and services supplied to customers during the year, exclusive of value added tax.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost on buildings
Short leasehold land & buildings	- in accordance with the lease
Showsite	- 10% - 20% on cost
Plant and machinery	- 15% on cost
Motor vehicles	- 20% on cost
Office Equipment	- 15% - 33% on cost

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated on a first-in, first-out basis.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Research and development expenditure is charged to the profit and loss account as incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	3,482,518	2,368,992
Social security costs	262,591	185,950
Other pension costs	70,227	36,637
	<u>3,815,336</u>	<u>2,591,579</u>

The average number of employees during the year was as follows:

	2019	2018
Production	111	79
Administration	50	40
Directors	3	3
	<u>164</u>	<u>122</u>

	2019	2018
	£	£
Directors' remuneration	25,925	25,823
Directors' pension contributions to money purchase schemes	<u>10,000</u>	<u>10,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 20193. **EMPLOYEES AND DIRECTORS - continued**

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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4. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Bank loan interest	6,631	7,345
Hire purchase interest	15,454	22,786
	<u>22,085</u>	<u>30,131</u>

5. **PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2019	2018
	£	£
Hire of plant and machinery	9,099	3,407
Other operating leases	338,373	141,442
Depreciation - owned assets	341,854	147,948
Depreciation - assets on hire purchase contracts	119,110	129,903
Profit on disposal of fixed assets	-	(2,125)
Computer software amortisation	18,400	4,037
Auditors' remuneration	3,000	3,000
Foreign exchange differences	<u>(13,846)</u>	<u>5,814</u>

6. **TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	493,704	690,900
Over provision in prior year	(78,552)	(41,139)
Total current tax	415,152	649,761
Deferred tax	163,938	10,056
Tax on profit	<u>579,090</u>	<u>659,817</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>4,008,256</u>	<u>3,668,645</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	761,569	697,043
Effects of:		
Expenses not deductible for tax purposes	15,124	3,913
Adjustments to tax charge in respect of previous periods	(78,552)	(41,139)
Research and development	(119,051)	-
Total tax charge	<u>579,090</u>	<u>659,817</u>

7. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim dividends	<u>768,000</u>	<u>668,000</u>

8. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2019	116,194
Additions	<u>56,873</u>
At 31 December 2019	<u>173,067</u>
AMORTISATION	
At 1 January 2019	4,037
Amortisation for year	<u>18,400</u>
At 31 December 2019	<u>22,437</u>
NET BOOK VALUE	
At 31 December 2019	<u>150,630</u>
At 31 December 2018	<u>112,157</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

9. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold land & buildings £	Showsite £
COST			
At 1 January 2019	522,991	115,971	40,733
Additions	-	1,448,350	-
At 31 December 2019	522,991	1,564,321	40,733
DEPRECIATION			
At 1 January 2019	20,173	75,825	40,733
Charge for year	10,460	86,474	-
At 31 December 2019	30,633	162,299	40,733
NET BOOK VALUE			
At 31 December 2019	492,358	1,402,022	-
At 31 December 2018	502,818	40,146	-

	Plant and machinery £	Motor vehicles £	Office Equipment £	Totals £
COST				
At 1 January 2019	1,229,436	432,595	231,589	2,573,315
Additions	622,491	11,500	71,408	2,153,749
At 31 December 2019	1,851,927	444,095	302,997	4,727,064
DEPRECIATION				
At 1 January 2019	422,964	144,731	141,294	845,720
Charge for year	234,072	80,759	49,199	460,964
At 31 December 2019	657,036	225,490	190,493	1,306,684
NET BOOK VALUE				
At 31 December 2019	1,194,891	218,605	112,504	3,420,380
At 31 December 2018	806,472	287,864	90,295	1,727,595

The net book value of tangible fixed assets includes £ 419,499 (2018 - £ 630,326) in respect of assets held under hire purchase contracts.

10. STOCKS

	2019 £	2018 £
Raw materials and goods ready for sale	1,963,246	1,553,722

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	1,583,856	886,681
Other debtors	112,272	57,077
Directors' current accounts	5,837	2,098
Prepayments and accrued income	144,847	56,315
	<u>1,846,812</u>	<u>1,002,171</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 14)	23,700	22,407
Hire purchase contracts (see note 15)	130,483	189,495
Trade creditors	3,347,254	2,352,942
Tax	83,704	690,900
Taxation and social security	443,154	494,253
Other creditors	353,901	227,937
Accruals and deferred income	309,524	62,974
	<u>4,691,720</u>	<u>4,040,908</u>

Bank loan terms of repayment are £2,470 per month and interest is payable at 3% per annum over the Bank of England Base Rate. In any event the loan will be repaid in full by the end of the term of 10 years.

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

	2019	2018
	£	£
Bank loans (see note 14)	139,977	164,282
Hire purchase contracts (see note 15)	128,319	258,801
	<u>268,296</u>	<u>423,083</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>23,700</u>	<u>22,407</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>139,977</u>	<u>102,508</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans over 5 years	<u>-</u>	<u>61,774</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	138,478	205,349
Between one and five years	<u>132,552</u>	<u>271,129</u>
	<u>271,030</u>	<u>476,478</u>
Finance charges repayable:		
Within one year	7,995	15,854
Between one and five years	<u>4,233</u>	<u>12,328</u>
	<u>12,228</u>	<u>28,182</u>
Net obligations repayable:		
Within one year	130,483	189,495
Between one and five years	<u>128,319</u>	<u>258,801</u>
	<u>258,802</u>	<u>448,296</u>
	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	264,013	99,500
Between one and five years	<u>1,160,178</u>	<u>131,333</u>
	<u>1,424,191</u>	<u>230,833</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loans	163,677	186,689
Hire purchase contracts	<u>258,802</u>	<u>448,296</u>
	<u>422,479</u>	<u>634,985</u>

Bank loans and overdrafts are secured by way of a charge over the assets of the company. Hire purchase liabilities are secured on the assets to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

17. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax		
Accelerated capital allowances	283,452	119,962
Other timing differences	(672)	(1,120)
	<u>282,780</u>	<u>118,842</u>
		Deferred tax
		£
Balance at 1 January 2019		118,842
Charge to Statement of Comprehensive Income during year		163,938
Balance at 31 December 2019		<u>282,780</u>

18. ALLOTTED, CALLED UP AND FULLY PAID SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>

19. RESERVES

	Retained earnings £
At 1 January 2019	4,186,591
Profit for the year	3,429,166
Dividends	(768,000)
At 31 December 2019	<u>6,847,757</u>

20. CONTINGENT LIABILITIES

The company guarantees its products for up to ten years. Rectification work is considered to be an ongoing charge but the company accepts that it has contingent liability to carry out this work. The value of this liability cannot be ascertained with any accuracy but the company's past experience of rectification work indicates that it will not be material to the reading of these financial statements and therefore no provision has been made.

21. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted but not provided for in the financial statements	<u>84,831</u>	<u>248,737</u>

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the company made advances to directors of £18,431 and £14,692 was repaid by the directors (2018 - £3,467 and £1,369 respectively). All amounts were interest free and repayable on demand.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

23. **RELATED PARTY TRANSACTIONS**

Entities with control, joint control or significant influence over the entity

	2019	2018
	£	£
Dividends	768,000	668,000
Amount due from related party	<u>5,837</u>	<u>2,098</u>

Other related parties

	2019	2018
	£	£
Purchases	108,545	149,703
Amount due to related party	<u>5,833</u>	<u>-</u>

Key management personnel compensation in the year totalled £170,375 (2018 - £150,620).

24. **POST BALANCE SHEET EVENTS**

In March 2020 the company became a wholly owned subsidiary of Aanco Holdings Limited, a company controlled by B Gaunt.

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