

KEY

Company Registration No. 02093875 (England and Wales)

AY & Y PATEL (DEWSBURY) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



AY & Y PATEL (DEWSBURY) LIMITED

COMPANY INFORMATION

Directors Ahmed Yusuf Patel
 Yakub Yusuf Patel
 Yunus Yusuf Patel
 Ashif Ahmed Patel
 Mohamed Hanif Ahmed Patel

Secretary Ahmed Yusuf Patel

Company number 02093875

Registered office 138 Savile Road
 Dewsbury
 WF12 9LR

Auditor Forrest Burlinson
 20 Owl Lane
 Dewsbury
 West Yorkshire
 WF12 7RQ

Bankers Lloyds Bank plc
 75 Commercial Street
 Batley
 West Yorkshire
 WF17 5EQ

AY & Y PATEL (DEWSBURY) LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Company statement of cash flows	14
Notes to the financial statements	15 - 33

AY & Y PATEL (DEWSBURY) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Principal risks and uncertainties

The directors consider that the group does not face any specific key risks but is exposed to general risks associated with the sectors that the group operates in. The group manages business risk by the day to day involvement of the directors, maintaining strong relationships with suppliers and employees and operating over various sites .

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Development and performance

The directors are satisfied with the results for the year and consider the group is well placed to sustain the level of activity in the coming year.

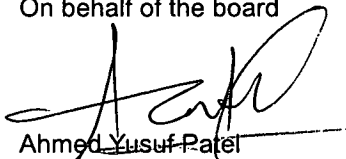
Key performance indicators

The key financial group highlights are as follows :

Sales reduced by 28%

Gross margins increased to 14.5%

On behalf of the board



Ahmed Yusuf Patel
Director

23 December 2021

AY & Y PATEL (DEWSBURY) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company and group continued to be that of motor fuel ,accessory and food retailing.

Results and dividends

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

No ordinary dividends were paid. 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:

Ahmed Yusuf Patel
Yakub Yusuf Patel
Yunus Yusuf Patel
Ashif Ahmed Patel
Mohmed Hanif Ahmed Patel

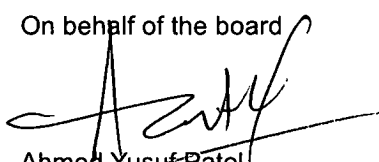
Auditor

The auditor, Forrest Burlinson Forrest Burlinson, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Ahmed Yusuf Patel
Director

23 December 2021

AY & Y PATEL (DEWSBURY) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AY & Y PATEL (DEWSBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AY & Y PATEL (DEWSBURY) LIMITED

Opinion

We have audited the financial statements of A Y & Y. PATEL (DEWSBURY) LIMITED (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 group's and the parent company's affairs as at 31 March 2021 and of the group's 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 *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 group's and parent 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.

AY & Y PATEL (DEWSBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AY & Y PATEL (DEWSBURY) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and specific laws and regulations relevant to the petrol, retail and hospitality industries. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

AY & Y PATEL (DEWSBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AY & Y PATEL (DEWSBURY) LIMITED

Audit response to risks identified:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- We did not identify any material matters relating to non-compliance with laws and regulations relating to fraud

A further description of our responsibilities is available 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.



Ebrahim Suleman (Senior Statutory Auditor)
For and on behalf of Forrest Burlinson

23 December 2021

Chartered Accountants
Statutory Auditor

AY & Y PATEL (DEWSBURY) LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	22,295,624	30,919,477
Cost of sales		(19,046,303)	(27,723,610)
Gross profit		3,249,321	3,195,867
Administrative expenses		(2,954,796)	(3,084,634)
Other operating income		786,201	403,841
Operating profit	4	1,080,726	515,074
Interest receivable and similar income	8	160	-
Interest payable and similar expenses	9	(11,250)	(18,915)
Profit before taxation		1,069,636	496,159
Tax on profit	10	(217,462)	(113,079)
Profit for the financial year		852,174	383,080

Profit for the financial year is all attributable to the owners of the parent company.

AY & Y PATEL (DEWSBURY) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Profit for the year	852,174	383,080
Other comprehensive income	-	-
Total comprehensive income for the year	<u>852,174</u>	<u>383,080</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

AY & Y PATEL (DEWSBURY) LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	11		12,221		35,555
Tangible assets	12		3,677,701		3,057,317
Investment properties	13		1,403,510		1,403,510
Investments	14		3,637,300		3,632,240
			<u>8,730,732</u>		<u>8,128,622</u>
Current assets					
Stocks	17	545,079		705,935	
Debtors	18	314,072		600,279	
Cash at bank and in hand		4,671,966		2,033,429	
		<u>5,531,117</u>		<u>3,339,643</u>	
Creditors: amounts falling due within one year	19	(1,820,550)		(1,145,950)	
Net current assets			<u>3,710,567</u>		<u>2,193,693</u>
Total assets less current liabilities			<u>12,441,299</u>		<u>10,322,315</u>
Creditors: amounts falling due after more than one year	20		(1,537,000)		(312,600)
Provisions for liabilities					
Deferred tax liability	22	159,224		116,815	
		<u>159,224</u>	<u>(159,224)</u>	<u>116,815</u>	<u>(116,815)</u>
Net assets			<u>10,745,075</u>		<u>9,892,900</u>
Capital and reserves					
Called up share capital	24		5		5
Distributable profit and loss reserves			10,745,070		9,892,895
Total equity			<u>10,745,075</u>		<u>9,892,900</u>

The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:


Ahmed Yusuf Patel
Director


Yakub Yusuf Patel
Director

AY & Y PATEL (DEWSBURY) LIMITED

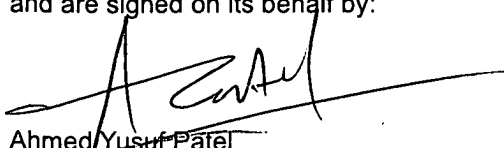
COMPANY BALANCE SHEET

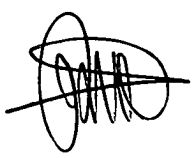
AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	3,144,373		2,434,767	
Investment properties	13	1,403,510		1,403,510	
Investments	14	4,584,728		4,595,165	
		<u>9,132,611</u>		<u>8,433,442</u>	
Current assets					
Stocks	17	531,079		690,935	
Debtors	18	293,963		596,044	
Cash at bank and in hand		4,491,808		2,009,452	
		<u>5,316,850</u>		<u>3,296,431</u>	
Creditors: amounts falling due within one year	19	<u>(1,641,269)</u>		<u>(1,001,530)</u>	
Net current assets			3,675,581		2,294,901
Total assets less current liabilities			<u>12,808,192</u>		<u>10,728,343</u>
Creditors: amounts falling due after more than one year	20		(1,537,000)		(312,600)
Provisions for liabilities					
Deferred tax liability	22	120,342		73,436	
		<u>(120,342)</u>		<u>(73,436)</u>	
Net assets			<u>11,150,850</u>		<u>10,342,307</u>
Capital and reserves					
Called up share capital	24		5		5
Distributable profit and loss reserves			11,150,845		10,342,302
Total equity			<u>11,150,850</u>		<u>10,342,307</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £808,544 (2020 - £681,667 profit).

The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:


Ahmed Yusuf Patel
Director


Yakub Yusuf Patel
Director

Company Registration No. 02093875

AY & Y PATEL (DEWSBURY) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019	5	9,509,815	9,509,820
Year ended 31 March 2020:			
Profit and total comprehensive income for the year	-	383,080	383,080
Balance at 31 March 2020	5	9,892,895	9,892,900
Year ended 31 March 2021:			
Profit and total comprehensive income for the year	-	852,174	852,174
Balance at 31 March 2021	5	10,745,070	10,745,075

AY & Y PATEL (DEWSBURY) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019	5	9,660,635	9,660,640
Year ended 31 March 2020: Profit and total comprehensive income for the year	-	681,667	681,667
Balance at 31 March 2020	5	10,342,302	10,342,307
Year ended 31 March 2021: Profit and total comprehensive income for the year	-	808,543	808,543
Balance at 31 March 2021	5	11,150,845	11,150,850

AY & Y PATEL (DEWSBURY) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	31	2,494,662		890,793	
Interest paid		(11,250)		(18,915)	
Income taxes paid		(126,956)		(99,604)	
Net cash inflow from operating activities		2,356,456		772,274	
Investing activities					
Purchase of intangible assets		-	(20,000)		
Purchase of tangible fixed assets		(937,419)	(380,117)		
Purchase of associates		-	(700,843)		
Loans to associates		(5,060)	(281,443)		
Purchase of investments		-	(10)		
Interest received		160	-		
Net cash used in investing activities		(942,319)		(1,382,413)	
Financing activities					
Proceeds from borrowings		-	300,000		
Repayment of borrowings		(75,600)	(69,810)		
Proceeds of new bank loans		1,300,000	-		
Net cash generated from financing activities		1,224,400		230,190	
Net increase/(decrease) in cash and cash equivalents		2,638,537		(379,949)	
Cash and cash equivalents at beginning of year		2,033,429		2,413,378	
Cash and cash equivalents at end of year		4,671,966		2,033,429	

AY & Y PATEL (DEWSBURY) LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	32	2,322,984		1,047,063	
Interest paid		(11,250)		(18,915)	
Income taxes paid		(126,956)		(181,791)	
Net cash inflow from operating activities		<u>2,184,778</u>		<u>846,357</u>	
Investing activities					
Purchase of tangible fixed assets		(937,419)		(294,905)	
Loans to subsidiaries		15,497		(90,013)	
Purchase of associates		-		(700,843)	
Loans to associates		(5,060)		(281,443)	
Purchase of investments		-		(10)	
Interest received		160		-	
Net cash used in investing activities		<u>(926,822)</u>		<u>(1,367,214)</u>	
Financing activities					
Proceeds from borrowings		-		300,000	
Repayment of borrowings		(75,600)		(69,810)	
Proceeds of new bank loans		1,300,000		-	
Net cash generated from financing activities		<u>1,224,400</u>		<u>230,190</u>	
Net increase/(decrease) in cash and cash equivalents		<u>2,482,356</u>		<u>(290,667)</u>	
Cash and cash equivalents at beginning of year		<u>2,009,452</u>		<u>2,300,119</u>	
Cash and cash equivalents at end of year		<u><u>4,491,808</u></u>		<u><u>2,009,452</u></u>	

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

A Y & Y. PATEL (DEWSBURY) LIMITED ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 138 Savile Road, Dewsbury, WF12 9LR.

The group consists of A Y & Y. PATEL (DEWSBURY) LIMITED and all of its subsidiaries.

1.1 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" ("FRS 102") and the requirements of the Companies Act 2006.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company A Y & Y. PATEL (DEWSBURY) LIMITED together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Franchise Costs	3 years
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1.7 Tangible fixed assets

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

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

Freehold land and buildings	5% Straight line
Fixtures and fittings	15% Reducing balance
Motor vehicles	25% Reducing balance
Property Improvements	5% Straight line

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 recognised in the profit and loss account.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Financial instruments

The group 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 group 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 group after deducting all of its liabilities.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the 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 group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 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.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 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 leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.19 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Sales	22,295,624	30,919,477
	2021 £	2020 £
Other significant revenue		
Interest income	160	-
Grants received	352,396	-

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(352,396)	-
Depreciation of owned tangible fixed assets	305,742	250,265
Loss on disposal of tangible fixed assets	11,293	84,030
Amortisation of intangible assets	23,334	23,334
Operating lease charges	82,264	50,910

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	8,500	9,500

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Selling	162	156	76	96
Administration	10	9	10	9
Total	<u>172</u>	<u>165</u>	<u>86</u>	<u>105</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,433,070	1,545,364	854,712	938,824
Social security costs	39,245	50,554	39,245	50,554
Pension costs	7,637	3,322	4,619	3,322
	<u>1,479,952</u>	<u>1,599,240</u>	<u>898,576</u>	<u>992,700</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	<u>45,480</u>	<u>33,150</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2020 - 4).

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	<u>160</u>	<u>-</u>

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	11,250	18,519
Other finance costs:		
Other interest	-	396
Total finance costs	11,250	18,915

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	175,053	111,605
Deferred tax		
Origination and reversal of timing differences	42,409	1,474
Total tax charge	217,462	113,079

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	1,069,636	496,159
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	203,231	94,270
Depreciation on assets not qualifying for tax allowances	14,231	18,809
Taxation charge	217,462	113,079

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Intangible fixed assets

Group	Franchise Costs £
Cost	
At 1 April 2020 and 31 March 2021	70,000
Amortisation and impairment	
At 1 April 2020	34,445
Amortisation charged for the year	23,334
At 31 March 2021	57,779
Carrying amount	
At 31 March 2021	12,221
At 31 March 2020	35,555

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

12 Tangible fixed assets

Group	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Property Improvements £	Total £
Cost					
At 1 April 2020	2,210,851	2,005,015	24,245	47,461	4,287,572
Additions	572,591	364,828	-	-	937,419
Disposals	-	(247,397)	-	-	(247,397)
At 31 March 2021	2,783,442	2,122,446	24,245	47,461	4,977,594
Depreciation and impairment					
At 1 April 2020	309,799	891,058	23,573	5,825	1,230,255
Depreciation charged in the year	83,363	220,128	168	2,083	305,742
Eliminated in respect of disposals	-	(236,104)	-	-	(236,104)
At 31 March 2021	393,162	875,082	23,741	7,908	1,299,893
Carrying amount					
At 31 March 2021	2,390,280	1,247,364	504	39,553	3,677,701
At 31 March 2020	1,901,052	1,113,957	672	41,636	3,057,317

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

(Continued)

Company	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2020	2,210,851	1,255,112	24,245	3,490,208
Additions	572,591	364,828	-	937,419
Disposals	-	(247,397)	-	(247,397)
At 31 March 2021	2,783,442	1,372,543	24,245	4,180,230
Depreciation and impairment				
At 1 April 2020	309,799	722,069	23,573	1,055,441
Depreciation charged in the year	83,363	132,989	168	216,520
Eliminated in respect of disposals	-	(236,104)	-	(236,104)
At 31 March 2021	393,162	618,954	23,741	1,035,857
Carrying amount				
At 31 March 2021	2,390,280	753,589	504	3,144,373
At 31 March 2020	1,901,052	533,043	672	2,434,767

13 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 April 2020 and 31 March 2021	1,403,510	1,403,510

The fair value of investment property has been arrived at on the basis of cost of development in previous year by the directors.

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	1	1
Loans to subsidiaries	15	-	-	947,427	962,924
Investments in associates	16	1,340,972	1,295,912	1,340,972	1,295,912
Loans to associates	16	2,056,318	2,096,318	2,056,318	2,096,318
Unlisted investments		10	10	10	10
Other investments		240,000	240,000	240,000	240,000
		3,637,300	3,632,240	4,584,728	4,595,165

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Fixed asset investments

(Continued)

Movements in fixed asset investments

Group	Shares in associates £	Loans to associates £	Other investments £	Other £	Total £
Cost or valuation					
At 1 April 2020	1,295,912	2,096,318	10	240,000	3,632,240
Additions	45,060	-	-	-	45,060
Repayments	-	(40,000)	-	-	(40,000)
At 31 March 2021	1,340,972	2,056,318	10	240,000	3,637,300
Carrying amount					
At 31 March 2021	1,340,972	2,056,318	10	240,000	3,637,300
At 31 March 2020	1,295,912	2,096,318	10	240,000	3,632,240

Movements in fixed asset investments

Company	Shares in subsidiaries and associates £	Loans to subsidiaries and associates £	Other investments £	Other £	Total £
Cost or valuation					
At 1 April 2020	1,295,913	3,059,242	10	240,000	4,595,165
Additions	45,060	-	-	-	45,060
Repayments	-	(55,497)	-	-	(55,497)
At 31 March 2021	1,340,973	3,003,745	10	240,000	4,584,728
Carrying amount					
At 31 March 2021	1,340,973	3,003,745	10	240,000	4,584,728
At 31 March 2020	1,295,913	3,059,242	10	240,000	4,595,165

15 Subsidiaries

The subsidiary has taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Details of the company's subsidiaries at 31 March 2021 are as follows:

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Subsidiaries

(Continued)

Name of undertaking	Address	Class of shares held	% Held Direct
Issumi Limited	138 Savile Road, Dewsbury, WF12 9LR	Ordinary	100.00

16 Associates

Details of associates at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Zain Holdings Ltd	69/70 Batley Business & Technology Centre, Batley, West Yorkshire, WF17	Ordinary	25
AMAJ Ltd	As above	Ordinary	25
MJFV Limited	As above	Ordinary	35
Stags Head (Propco) Ltd	As above	Ordinary	25

17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	14,000	15,000	-	-
Finished goods and goods for resale	531,079	690,935	531,079	690,935
	<u>545,079</u>	<u>705,935</u>	<u>531,079</u>	<u>690,935</u>

18 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	116,905	102,371	116,907	102,373
Other debtors	155,639	455,307	143,554	455,307
Prepayments and accrued income	41,528	42,601	33,502	38,364
	<u>314,072</u>	<u>600,279</u>	<u>293,963</u>	<u>596,044</u>

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	21	60,000	60,000	60,000	60,000
Trade creditors		779,284	625,077	728,050	549,103
Amounts owed to group undertakings		(3)	-	-	-
Corporation tax payable		175,053	126,956	159,832	126,956
Other taxation and social security		216,875	151,384	178,026	119,107
Other creditors		480,453	139,954	445,719	115,504
Accruals and deferred income		108,888	42,579	69,642	30,860
		<u>1,820,550</u>	<u>1,145,950</u>	<u>1,641,269</u>	<u>1,001,530</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	21	1,300,000	-	1,300,000	-
Other borrowings	21	237,000	312,600	237,000	312,600
		<u>1,537,000</u>	<u>312,600</u>	<u>1,537,000</u>	<u>312,600</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	260,000	-	260,000	-
	<u>260,000</u>	<u>-</u>	<u>260,000</u>	<u>-</u>

21 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	1,300,000	-	1,300,000	-
Other loans	297,000	372,600	297,000	372,600
	<u>1,597,000</u>	<u>372,600</u>	<u>1,597,000</u>	<u>372,600</u>
Payable within one year	60,000	60,000	60,000	60,000
Payable after one year	1,537,000	312,600	1,537,000	312,600
	<u>1,597,000</u>	<u>372,600</u>	<u>1,597,000</u>	<u>372,600</u>

The long-term loans are secured by fixed charges over Pension Fund assets. Bank borrowings are secured by a floating charge on Roseville Service station and a legal charge on land at Leeds Road. The company has a Murabaha facility agreement with the Bank of London and the Middle East.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	159,224	116,815
	<u>159,224</u>	<u>116,815</u>
	Liabilities 2021 £	Liabilities 2020 £
Company		
Accelerated capital allowances	120,342	73,436
	<u>120,342</u>	<u>73,436</u>
	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 April 2020	116,815	73,436
Charge to profit or loss	42,409	46,906
	<u>159,224</u>	<u>120,342</u>
Liability at 31 March 2021	159,224	120,342

The deferred tax liability set out above expected to reverse within 12 months is £21,466 (2020: £17,076) and relates to accelerated capital allowances that are expected to mature within the same period.

23 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7,637	3,322
	<u>7,637</u>	<u>3,322</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	5	5	5	5
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

25 Financial commitments, guarantees and contingent liabilities

The company has a shareholder guarantee on the borrowings of Amaj Limited an associated company.

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	137,749	194,749	-	-
	<u>137,749</u>	<u>194,749</u>	<u>-</u>	<u>-</u>

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Acquisition of tangible fixed assets	<u>13,673</u>	<u>428,705</u>	<u>13,673</u>	<u>428,705</u>

28 Related party transactions

Transactions with related parties

Directors Y Y Patel and A Y Patel are joint owners of Thorpe Service Station which is rented free to the company.

29 Directors' transactions

Interest free loans have been granted by the company to its directors in the year of £321,805. These loans have been repaid after the year end.

30 Controlling party

No party has overall control of the company.

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

31 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	852,175	383,080
Adjustments for:		
Taxation charged	217,462	113,079
Finance costs	11,250	18,915
Investment income	(160)	-
Loss on disposal of tangible fixed assets	11,293	84,030
Amortisation and impairment of intangible assets	23,334	23,334
Depreciation and impairment of tangible fixed assets	305,742	250,265
Movements in working capital:		
Decrease in stocks	160,856	321,929
Decrease in debtors	286,207	86,559
Increase/(decrease) in creditors	626,503	(390,398)
Cash generated from operations	2,494,662	890,793

32 Cash generated from operations - company

	2021 £	2020 £
Profit for the year after tax	808,543	681,667
Adjustments for:		
Taxation charged	206,738	183,862
Finance costs	11,250	18,915
Investment income	(160)	-
Loss on disposal of tangible fixed assets	11,293	84,030
Depreciation and impairment of tangible fixed assets	216,520	145,559
Movements in working capital:		
Decrease in stocks	159,856	326,929
Decrease in debtors	302,081	47,151
Increase/(decrease) in creditors	606,863	(441,050)
Cash generated from operations	2,322,984	1,047,063

AY & Y PATEL (DEWSBURY) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

33 Analysis of changes in net funds - group

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	2,033,429	2,638,537	4,671,966
Borrowings excluding overdrafts	(372,600)	(1,224,400)	(1,597,000)
	<u>1,660,829</u>	<u>1,414,137</u>	<u>3,074,966</u>

34 Analysis of changes in net funds - company

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	2,009,452	2,482,356	4,491,808
Borrowings excluding overdrafts	(372,600)	(1,224,400)	(1,597,000)
	<u>1,636,852</u>	<u>1,257,956</u>	<u>2,894,808</u>