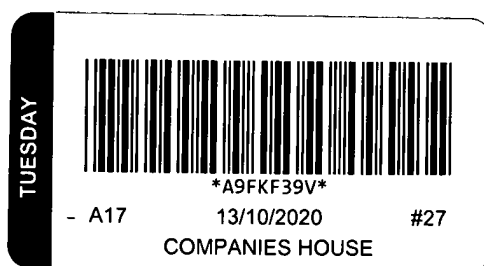


REGISTERED NUMBER: 04023106 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements
for the Year Ended 31 October 2019
for
Beamish Hall Limited**



**Contents of the Financial Statements
for the Year Ended 31 October 2019**

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Beamish Hall Limited

**Company Information
for the Year Ended 31 October 2019**

DIRECTORS: D Craggs
H Craggs
A Tocu
K Craggs
A Craggs

SECRETARY: H Craggs

REGISTERED OFFICE: Beamish Hall
Beamish
Stanley
County Durham
DH9 0YB

REGISTERED NUMBER: 04023106 (England and Wales)

SENIOR STATUTORY AUDITOR: Simon Hook FCCA

AUDITORS: Clive Owen LLP
Chartered Accountants
Statutory Auditors
Kepier House
Belmont Business Park
Durham
DH1 1TW

Beamish Hall Limited (Registered number: 04023106)

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

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

REVIEW OF BUSINESS

The principal activity of the company is the provision of hotel facilities, incorporating a wedding venue and conference centre.

The headline financial indicators for the period were as follows:

	2019 £'000	2018 £'000	Change £'000	Change %
Turnover	4,627	4,726	(99)	(2.1%)
Gross profit	3,555	3,566	(11)	(0.3%)
Margin	77%	75.5%		1.5%
Profit before tax	296	58	238	410%

Gross profit has increased within the financial year due to negotiating better supplier discounts and maintaining a good margin on sales. Food and beverage costs were improved on the previous year and a cautious effort has been made to reduce wastage but also ensure no stock shortages. This has been reflected in the improved gross profit margin.

The property is included in the accounts at valuation. The most recent valuation was done in 2017 which the directors have deemed market rate as at 31 October 2019.

Strategy

The focus on key performance indicators has continued to strengthen and will continue to do so going forward. With particular emphasis on:

- Sales, costs and gross margin
- Stock usage and turnaround

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

PRINCIPAL RISKS AND UNCERTAINTIES

Financial Risk Management

Financial risk management is integral to the management of the business. The primary risks to which the company is exposed are liquidity risk, interest rate risk and credit risk.

Liquidity Risk

The company has a term loan for the purpose of the initial acquisition of and secured on the property of Beamish Hall itself. In addition, the company has an overdraft facility. The company periodically reviews the facilities with the bank to ensure they remain adequate for current and future requirements.

Interest Rate Risk

The overdraft and loan facilities are subject to floating rates of interest linked to base rate or LIBOR. The level of risk resulting from this is considered manageable at present given the recent trend of low and stable interest rates, which are expected to continue in the short to medium term.

Credit Risk

Predominantly the main credit risk arises on trade debtors. Whilst the majority of the turnover of the company is derived from either a pay in advance and on service basis, a not insignificant proportion is allocated credit terms. Policies and procedures are in place to ensure that appropriate credit limits and such credit accounts are reviewed on a regular basis to ensure that they are not allowed to become overdue.

ON BEHALF OF THE BOARD:



D Craggs - Director

28 September 2020

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

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

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the provision of hotel facilities and associated leisure activities.

DIVIDENDS

The total of all dividends paid during the year were as follows:

	£
Ordinary £1 shares	120,000
4% Preference £1 shares	28,000

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2018 to the date of this report.

D Craggs
H Craggs
A Tocu
K Craggs
A Craggs

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). 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Beamish Hall Limited (Registered number: 04023106)

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

AUDITORS

The auditors, Clive Owen LLP, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'D Craggs', written in a cursive style.

D Craggs - Director

28 September 2020

Report of the Independent Auditors to the Members of Beamish Hall Limited

Opinion

We have audited the financial statements of Beamish Hall Limited (the 'company') for the year ended 31 October 2019 which comprise the Profit and Loss Account, Other 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 October 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.

**Report of the Independent Auditors to the Members of
Beamish Hall Limited**

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.

Clive Owen WP.

Simon Hook FCCA (Senior Statutory Auditor)
for and on behalf of Clive Owen LLP
Chartered Accountants
Statutory Auditors
Kepier House
Belmont Business Park
Durham
DH1 1TW

28 September 2020

Beamish Hall Limited (Registered number: 04023106)

**Profit and Loss Account
for the Year Ended 31 October 2019**

	Notes	2019 £	2018 £
TURNOVER	3	4,627,258	4,726,042
Cost of sales		1,072,379	1,159,833
GROSS PROFIT		3,554,879	3,566,209
Administrative expenses		3,170,382	3,385,789
OPERATING PROFIT	5	384,497	180,420
Interest receivable and similar income		39	-
		384,536	180,420
Interest payable and similar expenses	6	88,662	122,826
PROFIT BEFORE TAXATION		295,874	57,594
Tax on profit	7	61,835	16,467
PROFIT FOR THE FINANCIAL YEAR		234,039	41,127

The notes form part of these financial statements

Beamish Hall Limited (Registered number: 04023106)

**Other Comprehensive Income
for the Year Ended 31 October 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		234,039	41,127
OTHER COMPREHENSIVE INCOME			
Revaluation of land and buildings			
Deferred tax on revaluation		-	136,011
Income tax relating to other comprehensive income		-	-
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	136,011
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>234,039</u>	<u>177,138</u>

The notes form part of these financial statements

Beamish Hall Limited (Registered number: 04023106)

**Balance Sheet
31 October 2019**

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		4,096		5,120
Tangible assets	10		4,886,226		4,906,513
			<u>4,890,322</u>		<u>4,911,633</u>
CURRENT ASSETS					
Stocks	11	63,692		35,500	
Debtors	12	125,521		167,749	
Cash at bank and in hand		495,825		300,403	
		<u>685,038</u>		<u>503,652</u>	
CREDITORS					
Amounts falling due within one year	13	1,478,775		1,261,891	
NET CURRENT LIABILITIES			<u>(793,737)</u>		<u>(758,239)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,096,585		4,153,394
CREDITORS					
Amounts falling due after more than one year	14		(2,361,473)		(2,531,802)
PROVISIONS FOR LIABILITIES	19		<u>(7,986)</u>		<u>(8,505)</u>
NET ASSETS			<u><u>1,727,126</u></u>		<u><u>1,613,087</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		2,501		2,501
Revaluation reserve	21		1,607,491		1,607,491
Retained earnings	21		117,134		3,095
SHAREHOLDERS' FUNDS			<u><u>1,727,126</u></u>		<u><u>1,613,087</u></u>

The notes form part of these financial statements

Beamish Hall Limited (Registered number: 04023106)

Balance Sheet - continued
31 October 2019

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2020 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D Craggs', written in a cursive style.

D Craggs - Director

The notes form part of these financial statements

Beamish Hall Limited (Registered number: 04023106)

**Statement of Changes in Equity
for the Year Ended 31 October 2019**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 November 2017	2,501	72,152	1,481,296	1,555,949
Changes in equity				
Dividends	-	(120,000)	-	(120,000)
Total comprehensive income	-	50,943	126,195	177,138
Balance at 31 October 2018	<u>2,501</u>	<u>3,095</u>	<u>1,607,491</u>	<u>1,613,087</u>
Changes in equity				
Dividends	-	(120,000)	-	(120,000)
Total comprehensive income	-	234,039	-	234,039
Balance at 31 October 2019	<u>2,501</u>	<u>117,134</u>	<u>1,607,491</u>	<u>1,727,126</u>

The notes form part of these financial statements

Beamish Hall Limited (Registered number: 04023106)

**Cash Flow Statement
for the Year Ended 31 October 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	627,941	309,815
Interest paid		(58,842)	(92,287)
Interest element of hire purchase payments paid		(1,820)	(539)
Finance costs paid		(28,000)	(30,000)
Tax paid		(20,770)	(27,072)
Net cash from operating activities		518,509	159,917
Cash flows from investing activities			
Purchase of tangible fixed assets		(43,500)	(59,919)
Sale of tangible fixed assets		362	-
Interest received		39	-
Net cash from investing activities		(43,099)	(59,919)
Cash flows from financing activities			
New loans in year		-	1,961,000
Loan repayments in year		(106,315)	(1,628,232)
Capital repayments in year		(3,673)	(6,234)
Preference share buy back		(50,000)	-
Equity dividends paid		(120,000)	(120,000)
Net cash from financing activities		(279,988)	206,534
Increase in cash and cash equivalents		195,422	306,532
Cash and cash equivalents at beginning of year	2	300,403	(6,129)
Cash and cash equivalents at end of year	2	495,825	300,403

The notes form part of these financial statements

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

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

	2019	2018
	£	£
Profit before taxation	295,874	57,594
Depreciation charges	64,811	75,493
Profit on disposal of fixed assets	(362)	-
Finance costs	88,662	122,826
Finance income	(39)	-
	<hr/>	<hr/>
	448,946	255,913
Increase in stocks	(28,192)	(426)
Decrease in trade and other debtors	42,228	65,331
Increase/(decrease) in trade and other creditors	164,959	(11,003)
	<hr/>	<hr/>
Cash generated from operations	627,941	309,815
	<hr/>	<hr/>

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 October 2019

	31/10/19	1/11/18
	£	£
Cash and cash equivalents	495,825	300,403
	<hr/>	<hr/>

Year ended 31 October 2018

	31/10/18	1/11/17
	£	£
Cash and cash equivalents	300,403	67,542
Bank overdrafts	-	(73,671)
	<hr/>	<hr/>
	300,403	(6,129)
	<hr/>	<hr/>

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

1. STATUTORY INFORMATION

Beamish Hall 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.

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 as modified by the revaluation of certain assets.

There were no material departures from that standard.

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.

Going concern

The directors assess whether the use of going concern is appropriate ie. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of the financial statements are approved.

At the date of approval the country and indeed the rest of the world is in the midst of dealing with the COVID-19 pandemic. The company has taken steps to deal with the financial impact of this including using the governments furlough scheme. Whilst there is uncertainty around the length of time the COVID-19 pandemic will last and the full impact on the economy, the directors believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements are prepared on the going concern basis which assumes that the company will continue to trade. If the company is unable to trade, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to analyse long term liabilities as current liabilities.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements required the use of estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates and associated assumptions are based on historical experience and management best knowledge of current events and actions, the actual results may ultimately differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Depreciation

Depreciation is the area involving estimates and judgements where there is the greatest risk of a material adjustment in future years.

Accounting estimate - Depreciation is charged over an assets useful economic life on the difference between cost and residual value.

Accounting judgement - Due to their high residual values, the directors have elected not to depreciate freehold land and buildings and works of art, as it is believed that the effect of any depreciation charged would be minimal.

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

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Income recognition

Income is recognised upon delivery of service to the customer.

Internet site costs

Internet site costs are valued at cost less accumulated amortisation and impairment losses. Amortisation is calculated to write off the costs in equal instalments over their useful estimated life of 5 years.

Tangible fixed assets

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

Land and buildings freehold	- not provided
Plant and machinery	- 5 - 33% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets other than works of art and land and buildings are stated at cost less depreciation. Works of art are not depreciated as the directors believe that the expected useful life to be in excess of 50 years, with high residual values and depreciation would be immaterial.

Land and buildings are recognised initially at cost and subsequently by a revalued amount, being its fair value at the date of revaluation less any subsequent impairment losses further depreciation is not provided due to the constant upkeep of the hotel land and buildings. If an asset's carrying value increases due to a revaluation, the increase is recognised in other comprehensive income, accumulated in equity and the excess over any prior decrease in the profit and loss. If an asset's carrying value decreases due to a revaluation, the decrease is recognised in other comprehensive income and reduces any previous increase that has accumulated in equity for that asset. If the decrease exceeds the accumulated gains the excess is recognised in profit or loss.

Government grants

Revenue based grants have been credited to the profit and loss account in the period to which they relate. Capital based grants are accounted for using the accruals model and have been transferred to a deferred credit and released to the profit and loss account over the useful life of the asset, as disclosed above.

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 using the first-in, first-out method and includes all purchase, transport and handling costs in bringing stocks to their present location and condition

Financial instruments

Debtors

Short term debtors are measured at transaction price. Other financial assets are measured at fair value.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance lease are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

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.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Sale of goods	2,690,679	2,964,089
Service income	1,936,579	1,761,953
	<u>4,627,258</u>	<u>4,726,042</u>

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

4. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	2,016,733	2,193,000
Social security costs	117,404	107,804
Other pension costs	27,176	19,219
	<u>2,161,313</u>	<u>2,320,023</u>

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

	2019	2018
Hotel staff	148	164
Directors	5	6
Administration	8	6
	<u>161</u>	<u>176</u>

	2019	2018
	£	£
Directors' remuneration	41,740	71,223
Directors' pension contributions to money purchase schemes	436	-
	<u>42,176</u>	<u>71,223</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Hire of plant and machinery	14,941	42,704
Depreciation - owned assets	62,283	72,414
Depreciation - assets on hire purchase contracts	1,504	1,799
Profit on disposal of fixed assets	(362)	-
Internet Site Costs amortisation	1,024	1,280
Auditors' remuneration	8,000	8,000
	<u>83,386</u>	<u>126,207</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Bank interest	-	8,465
Bank loan interest	58,842	83,822
Hire purchase interest	1,820	539
Dividends - preference shares	28,000	30,000
	<u>88,662</u>	<u>122,826</u>

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

7. **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	62,354	20,770
Deferred tax	(519)	(4,303)
Tax on profit	<u>61,835</u>	<u>16,467</u>

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
Profit before tax	<u>295,874</u>	<u>57,594</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	56,216	10,943
Effects of:		
Expenses not deductible for tax purposes	5,619	6,421
Capital allowances in excess of depreciation	-	(897)
Total tax charge	<u>61,835</u>	<u>16,467</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 October 2019.

	Gross £	2018 Tax £	Net £
Revaluation of land and buildings			
Deferred tax on revaluation	<u>136,011</u>	-	<u>136,011</u>
	<u>136,011</u>	-	<u>136,011</u>

8. **DIVIDENDS**

	2019 £	2018 £
Ordinary shares of £1 each		
Final	<u>120,000</u>	<u>120,000</u>

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

9. INTANGIBLE FIXED ASSETS

	Internet Site Costs £
COST	
At 1 November 2018 and 31 October 2019	11,100
AMORTISATION	
At 1 November 2018	5,980
Amortisation for year	1,024
At 31 October 2019	7,004
NET BOOK VALUE	
At 31 October 2019	4,096
At 31 October 2018	5,120

10. TANGIBLE FIXED ASSETS

	Land and buildings freehold £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 November 2018	4,643,722	1,920,385	8,553	6,572,660
Additions	9,564	33,936	-	43,500
At 31 October 2019	4,653,286	1,954,321	8,553	6,616,160
DEPRECIATION				
At 1 November 2018	-	1,663,814	2,333	1,666,147
Charge for year	232	62,051	1,504	63,787
At 31 October 2019	232	1,725,865	3,837	1,729,934
NET BOOK VALUE				
At 31 October 2019	4,653,054	228,456	4,716	4,886,226
At 31 October 2018	4,643,722	256,571	6,220	4,906,513

Cost or valuation at 31 October 2019 is represented by:

	Land and buildings freehold £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2009	3,686,114	-	-	3,686,114
Valuation in 2013	(3,227,528)	-	-	(3,227,528)
Valuation in 2017	398,257	-	-	398,257
Cost	3,796,443	1,954,321	8,553	5,759,317
	4,653,286	1,954,321	8,553	6,616,160

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

10. TANGIBLE FIXED ASSETS - continued

If Land and buildings had not been revalued they would have been included at the following historical cost:

	2019 £	2018 £
Cost	<u>3,796,211</u>	<u>3,786,879</u>
Value of land in freehold land and buildings	<u>3,796,211</u>	<u>3,786,879</u>

Land and buildings were valued on an open market basis on 15 November 2017 by Robert Simpson Property Consultants.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST OR VALUATION	
At 1 November 2018 and 31 October 2019	<u>8,553</u>
DEPRECIATION	
At 1 November 2018	2,333
Charge for year	<u>1,504</u>
At 31 October 2019	<u>3,837</u>
NET BOOK VALUE	
At 31 October 2019	<u>4,716</u>
At 31 October 2018	<u>6,220</u>

11. STOCKS

	2019 £	2018 £
Stocks	<u>63,692</u>	<u>35,500</u>

During the year an impairment loss of £nil (2018: £17,650) was reversed in cost of sales relating to a stock provision made against slow-moving and obsolete stock.

12. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	14,685	42,694
Other debtors	1,991	1,991
Prepayments and accrued income	83,812	100,320
	<u>100,488</u>	<u>145,005</u>

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

12. DEBTORS - continued

	2019	2018
	£	£
Amounts falling due after more than one year:		
Directors' loan accounts	25,033	22,744
	<u>25,033</u>	<u>22,744</u>
Aggregate amounts	125,521	167,749
	<u>125,521</u>	<u>167,749</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 15)	109,624	97,365
Hire purchase contracts (see note 16)	2,372	4,290
Trade creditors	306,466	289,146
Corporation tax	62,354	20,770
Social security and other taxes	225,391	208,890
Other creditors	648,543	557,382
Directors' current accounts	15,565	-
Accruals and deferred income	105,010	84,048
Deferred government grants	3,450	-
	<u>1,478,775</u>	<u>1,261,891</u>

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

	2019	2018
	£	£
Bank loans (see note 15)	1,659,489	1,778,063
Preference shares (see note 15)	700,000	750,000
Hire purchase contracts (see note 16)	1,984	3,739
	<u>2,361,473</u>	<u>2,531,802</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank loans	109,624	97,365
	<u>109,624</u>	<u>97,365</u>
Amounts falling due between one and two years:		
Bank loans 1-2 years	113,040	1,778,063
	<u>113,040</u>	<u>1,778,063</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	624,216	-
	<u>624,216</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Preference shares	700,000	750,000
	<u>700,000</u>	<u>750,000</u>

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

15. LOANS - continued

	2019 £	2018 £
Repayable by instalments		
Bank loans more 5 yr by instal	922,233	-

The bank loan is repayable over 15 years and interest is charged at 3.2% per annum.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
750,000	4% Preference	£1	700,000	750,000

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019 £	2018 £
Net obligations repayable:		
Within one year	2,372	4,290
Between one and five years	1,984	3,739
	4,356	8,029

	Non-cancellable operating leases	
	2019 £	2018 £
Within one year	28,024	21,460
Between one and five years	22,269	18,816
In more than five years	-	10,140
	50,293	50,416

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

17. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank loans	1,769,113	1,875,428
Hire purchase contracts	4,356	8,029
	<u>1,773,469</u>	<u>1,883,457</u>

The bank loan is secured by a fixed charge over the company's freehold property together with a standard debenture over the assets of the company.

Hire purchase contracts are secured on the assets to which they relate.

The bank overdraft is secured by way of a fixed and floating charge over the assets of the company.

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets		
Measured at amortised cost:	<u>100,488</u>	<u>145,005</u>
Financial liabilities		
Measured at amortised cost:	<u>3,536,938</u>	<u>3,564,033</u>

Financial assets includes trade debtors, other debtors and prepayments. Financial liabilities includes bank loans and overdrafts, other loans, hire purchase agreements, trade creditors, other creditors and accruals.

19. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax	<u>7,986</u>	<u>8,505</u>
		Deferred tax
		£
Balance at 1 November 2018		8,505
Accelerated capital allowances		(519)
Deferred tax on revaluation		<u> </u>
Balance at 31 October 2019		<u>7,986</u>

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

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
2,501	Ordinary	£1	<u>2,501</u>	<u>2,501</u>

Called up share capital represents the nominal value of shares that have been issued.

21. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 November 2018	3,095	1,607,491	1,610,586
Profit for the year	234,039		234,039
Dividends	(120,000)		(120,000)
At 31 October 2019	<u>117,134</u>	<u>1,607,491</u>	<u>1,724,625</u>

Retained earnings includes all current and prior period profits and losses. Revaluation reserve includes all current and prior period gains and losses on revaluation of the property including any associated deferred tax.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 October 2019 and 31 October 2018:

	2019 £	2018 £
D Craggs		
Balance outstanding at start of year	22,744	16,321
Amounts advanced	2,289	6,423
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>25,033</u>	<u>22,744</u>

No interest has been charged on this balance.

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

23. **RELATED PARTY TRANSACTIONS**

There were no related party transactions other than those concluded under normal market conditions other than those detailed below:

	2019 £	2018 £
Amounts due from directors	25,033	22,744
Amounts due (to) directors	(15,565)	-
Other related parties:		
Amounts due (to) related parties	(8,693)	(10,253)
Key management:		
Key management remuneration	<u>42,177</u>	<u>74,758</u>

No interest was charged on these balances.

24. **ULTIMATE CONTROLLING PARTY**

The company is controlled by its directors.