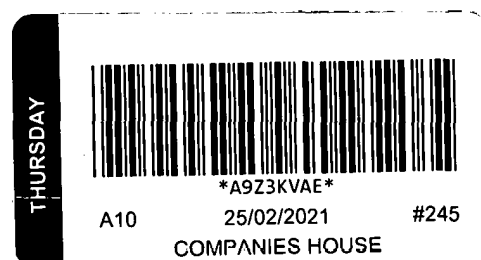


**A&E Leisure Limited**

**Annual report and financial statements**

**Registered number 04223269**

**For the period ended 31 December 2019**



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## Strategic report

The directors present their annual report and the audited financial statements for the period ended 31 December 2019.

### Principal activities

The principal activity of the company is the provision of a wide range of quality furniture, umbrellas, awnings, area management products and outdoor structures (including play equipment) to customers who wish to create or improve outdoor areas to maximise their returns.

### Business review

The results for the period are detailed on page 8.

Turnover increased to £10,631,267 (2018:£8,577,115).

Operating profit was £576,051 compared to £494,143 in the previous year, whilst the profit on ordinary activities before taxation increased to £521,629 from £442,828. The company made a profit after taxation of £377,687 (2018: £366,727).

The performance is in line with the expectations of the directors and reflects the ongoing trading performance of the company.

### Key performance indicators (KPIs)

KPIs used by management are margins over gross profit, operating profit and net profit all of which can be determined from the information on page 8. Management accounts and cash flow forecasts are produced on at least a monthly basis to facilitate variance analysis and maintain liquidity especially in seasonal periods.

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are structured in order to minimise risks which include supply constraints, seasonal demand, product design, health and safety, competitions and customer base risk.

The company is structured to manage these risks and challenges with a team of experienced management level personnel led by directors Richard Smith and Jenny Green. The directors have been involved in the industry for more than 25 years and are joint shareholders of the company.

### Financial risks

The company seeks to manage financial risk by ensuring that operations and investment in plant and buildings is done via suitable financial vehicles appropriate to the asset return. Cash flow for operations is monitored closely to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

#### *Credit risk*

The company has a robust credit analysis and debt collection procedure for new and current customers. This involves credit checking customers and operating accounts with a defined limit, but also using current information including payment history; re-saleability of product and structured stage payments where appropriate.

#### *Liquidity risk*

Cash flow is monitored closely to minimise the need to borrow money from outside the company in times of seasonal fluctuations.

## **Strategic Report** *(continued)*

### ***Exchange rate risk***

The company monitors exchange rates and forecasts purchases; matches income and receipts in the same currencies where possible; plans purchase foreign currency on the forward market where prudent; and purchases foreign currency in the spot market where appropriate.

### **Recruitment and employee relations**

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or sex. Appropriate consideration is given to disabled applicants in offering employment.

In 2019 we had around 75 full time employees over 3 sites with the relevant skills and expertise to design, manufacture, conduct site surveys, installations and deliveries.

We have a low staff turnover. Many of the personnel have attained 10 years' service within the business and have gained valuable experience from the challenges they have worked through, to use in the future.

We recruit a temporary warehouse and driver team to assist us during seasonal highs.

Regular team meetings are held to update team members and to problem solve. Reviews are held on a regular basis to reward and identify training needs. In-house and external training events are held to ensure all staff are competent and safe in their roles.

### **Summary**

A&E Leisure has a solid financial base and a strong asset backing. There has been continuous reinvestment in the business platform for growth.

Financial systems and controls are strong and the policy of maximum opportunity and minimum risk is implemented successfully.

### **Future prospects**

There is a definite trend towards eating out and using outdoor areas in all levels of the market place and we look to take these opportunities to provide wider service and products.

Our offering is unique in the market as we can provide a wide product range and comprehensive services. This strategy is one the directors are keen to pursue as unique products and services enable better margins.

We are confident of the future with a clear strategy as to how the company can achieve growth and improve profitability.

By order of the board



**RJ Smith**  
Director

18/2/2021

## Directors' report

The directors present their report and the audited financial statements for the period ended 31 December 2019.

This period includes a 13-month period from 1<sup>st</sup> December 2018 to 31<sup>st</sup> December 2019. This change has been registered at Companies House.

### Directors and directors' interests

The directors who held office during the period were as follows:

JS Green  
RJ Smith

### Dividend

A dividend of £67,610 was paid in the period (2018: £137,410).

### Political and charitable contributions

The company made no political contributions during the period (2018: £nil). Donations to UK charities amounted to £100 (2018: £1,140).

### COVID-19

The Directors have considered the potential impact of COVID-19 on the operations of the Company and the resultant impact on its financial position. Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the Directors have reviewed detailed forecasts and consider the Company is able to continue to meet its liabilities as they fall due in the foreseeable future, considered to be a period of 12 months from the approval of the financial statements. In particular, the Directors have reviewed the forecast level of cash to be held by the Company and consider it to be sufficient to meet its liabilities, even in the most adverse of the various scenarios considered regarding future sales and cash collections.

On this basis the Directors consider it appropriate to prepare these financial statements on a going concern basis.

### Disclosure of information to auditor

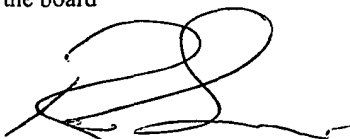
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

RSM UK Audit LLP were appointed as auditor to the company and it is the intention of the directors that RSM UK Audit LLP will be deemed to be reappointed under section 487(2) of the Companies Act 2006 for future reporting periods.

By order of the board

RJ Smith  
Director



18/2/2021

## **Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with applicable laws and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- state whether applicable UK Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements.

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

## **Independent auditor's report to the members of A&E Leisure Limited**

### **Opinion**

We have audited the financial statements of A&E Leisure Limited the ('company') for the period ended 31 December 2019 which comprise Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditor's report to the members of A&E Leisure Limited (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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



## **Independent auditor's report to the members of A&E Leisure Limited *(continued)***

### **Use of our report**

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

*RSM UK Audit LLP*

William Farren FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

Date: 19 February 2021

**Profit and loss account and Other Comprehensive Income**  
*for the period ended 31 December 2019*

	<i>Note</i>	2019 £	2018 £
<b>Turnover</b>	2	10,631,267	8,577,115
Cost of sales		(6,576,174)	(5,063,063)
<b>Gross profit</b>		<u>4,055,093</u>	<u>3,514,052</u>
Administrative expenses		(3,479,042)	(3,019,909)
<b>Operating profit</b>	3	576,051	494,143
Interest receivable and similar income	6	747	494
Interest payable and similar charges	7	(55,169)	(51,809)
<b>Profit on ordinary activities before taxation</b>		<u>521,629</u>	<u>442,828</u>
Tax on profit on ordinary activities	8	(143,942)	(76,101)
<b>Profit for the period</b>		<u><u>377,687</u></u>	<u><u>366,727</u></u>
<b>Total comprehensive income for the period</b>		<u><u>377,687</u></u>	<u><u>366,727</u></u>

The notes on pages 14 to 23 form part of these financial statements.

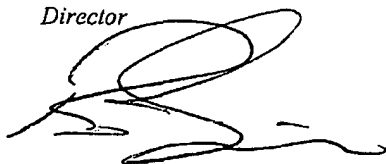
**Balance sheet**  
*at 31 December 2019*

	<i>Note</i>	<b>2019</b> £	<b>2019</b> £	<b>2018</b> £	<b>2018</b> £
<b>Fixed assets</b>					
Tangible assets	9	3,891,729		3,834,580	
Intangible assets	10	8,912		13,950	
			<b>3,900,641</b>		<b>3,848,530</b>
<b>Current assets</b>					
Stock	11	2,948,050		2,541,703	
Debtors	12	1,382,951		1,438,113	
Cash		512,374		512,364	
		<b>4,843,375</b>		<b>4,492,180</b>	
<b>Creditors: amounts falling due within one year</b>	13	<b>(2,318,317)</b>		<b>(2,292,536)</b>	
<b>Net current assets</b>			<b>2,525,058</b>		<b>2,199,644</b>
<b>Total assets less current liabilities</b>			<b>6,425,699</b>		<b>6,048,174</b>
<b>Creditors: amounts falling due after more than one year</b>	14		<b>(805,835)</b>		<b>(800,547)</b>
<b>Provisions for liabilities</b>	15		<b>(100,160)</b>		<b>(38,000)</b>
<b>Net assets</b>			<b>5,519,704</b>		<b>5,209,627</b>
<b>Capital and reserves</b>					
Called up share capital	16		<b>40,000</b>		<b>40,000</b>
Other reserves			<b>10,000</b>		<b>10,000</b>
Profit and loss account			<b>5,469,704</b>		<b>5,159,627</b>
<b>Shareholders' funds</b>			<b>5,519,704</b>		<b>5,209,627</b>

The notes on pages 14 to 23 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 18/2/2021 and were signed on its behalf by:

RJ Smith  
Director



## Statement of Changes in Equity

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
Balance at 1 December 2017	40,000	10,000	4,930,310	4,980,310
Profit for the year	-	-	366,727	366,727
<b>Total comprehensive income for the year</b>	-	-	366,727	366,727
Dividend paid	-	-	(137,410)	(137,410)
<b>Balance at 31 December 2018</b>	<b>40,000</b>	<b>10,000</b>	<b>5,159,627</b>	<b>5,209,627</b>

	Called up share capital £	Share premium account £	Profit and loss account £	Total Equity £
Balance at 1 December 2018	40,000	10,000	5,159,627	5,209,627
Profit for the period	-	-	377,687	377,687
<b>Total comprehensive income for the period</b>	-	-	377,687	377,687
Dividend paid	-	-	(67,610)	(67,610)
<b>Balance at 31 December 2019</b>	<b>40,000</b>	<b>10,000</b>	<b>5,469,704</b>	<b>5,519,704</b>

The notes on pages 14 to 23 form part of these financial statements.

**Cash flow statement**  
*for the period ended 31 December 2019*

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the period	377,687	366,727
<i>Adjustments for:</i>		
Depreciation	188,819	163,367
Amortisation	5,037	4,650
Interest receivable and similar income	(747)	(494)
Interest payable and similar charges	55,169	51,809
Profit on sale of fixed assets	(4,008)	(3,714)
Movement in provision	62,160	(32,000)
Increase in stocks	(406,347)	(401,150)
Decrease in debtors	55,162	350,385
(Increase)/decrease in creditors	(28,874)	95,230
Taxation	143,942	76,101
	<hr/> 448,000	<hr/> 670,911
Dividends paid	(67,610)	(137,410)
Interest paid	(55,169)	(51,809)
Tax paid	(145,160)	(118,101)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>180,061</b>	<b>363,591</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	69,575	12,500
Interest received	747	494
Acquisition of fixed assets	(311,535)	(226,091)
	<hr/>	<hr/>
<b>Net cash from investing activities</b>	<b>(241,213)</b>	<b>(213,097)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayments of loans	(86,925)	(89,727)
New finance leases and lease repayments	148,087	(131,452)
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	<b>61,162</b>	<b>(221,179)</b>
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalent	10	(70,685)
Cash and cash equivalents at 1 December 2018	512,364	583,049
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December 2019</b>	<b>512,374</b>	<b>512,364</b>
	<hr/>	<hr/>

The notes on pages 14 to 23 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### *Accounting policies*

A&E Leisure Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is Sterling. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### *Going concern*

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

The Directors have considered the potential impact of COVID-19 on the operations of the Company and the resultant impact on its financial position. Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the Directors have reviewed detailed forecasts and consider the Company is able to continue to meet its liabilities as they fall due in the foreseeable future, considered to be a period of 12 months from the approval of the financial statements. In particular the Directors have reviewed the forecast level of cash to be held by the Company and consider it to be sufficient to meet its liabilities, even in the most adverse of the various scenarios considered regarding future sales and cash collections.

On this basis the Directors consider it appropriate to prepare these financial statements on a going concern basis.

#### *Fixed assets and depreciation*

##### *Tangible assets*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Land & buildings freehold	-	0%/5% per annum on reducing balance
Land & buildings leasehold	-	5% per annum on reducing balance
Vehicles	-	25% per annum on reducing balance
Plant and machinery	-	20% per annum on reducing balance
Fixtures, fittings and equipment	-	20% per annum on reducing balance

##### *Intangible asset*

The intangible software asset is being amortised straight line over 5 years.

#### *Leases*

##### *Operating leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Finance lease*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of delivery costs to the warehouse.

#### *Research and development expenditure*

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed.

#### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

#### *Taxation*

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### *Foreign currency*

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### *Turnover*

Turnover is shown net of Value Added Tax, of goods sold and services provided to customers.



## Notes (continued)

### 2 Analysis of turnover and profit on ordinary activities before taxation

The directors consider that all turnover and the profit on ordinary activities before taxation is derived from the same activity and arises wholly in the United Kingdom.

### 3 Expenses and auditor's remuneration

	2019 £	2018 £
<i>Included in the profit are the following:</i>		
Auditor's remuneration:		
Audit of these financial statements	25,000	15,000
Other services	2,640	5,000
Depreciation of tangible fixed assets:		
Owned by the company	117,765	88,321
Held under finance leases	71,054	75,046
Amortisation of intangible asset	5,037	4,650
Rentals payable under operating leases:		
Land and buildings	80,000	80,000
Plant & machinery	16,001	11,371
Gain on foreign exchange	(33,393)	(4,099)
Research and development	4,670	8,030
	<hr/>	<hr/>

### 4 Remuneration of directors

	2019 £	2018 £
Directors' emoluments:		
Remuneration as executives	47,222	118,590
	<hr/>	<hr/>

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the period, analysed by category, was as follows:

	Number of employees	
	2019	2018
Factory and warehouse	17	15
Installers	22	21
Selling and marketing	12	12
Administration	24	22
	<hr/>	<hr/>
	75	70
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	2,493,729	2,159,194
Social security costs	280,784	223,580
Other pension costs	51,291	24,856
	<hr/>	<hr/>
	2,825,804	2,407,630
	<hr/>	<hr/>

### 6 Interest receivable and similar income

	2019	2018
	£	£
Bank interest	747	494
	<hr/>	<hr/>

### 7 Interest payable and similar charges

	2019	2018
		£
Mortgage interest	23,814	19,843
Director's Loan interest	22,579	17,096
Other interest	8,776	14,870
	<hr/>	<hr/>
	55,169	51,809
	<hr/>	<hr/>

## Notes (continued)

### 8 Taxation

*Total tax expense recognised in the profit and loss account:*

	2019 £	2018 £
<i>Current UK corporation tax:</i>		
UK corporation tax charge at 19% (2018:20%)	100,782	102,000
Adjustment in respect of prior years	(19,000)	6,101
	<u>81,782</u>	<u>108,101</u>
<i>Deferred tax:</i>		
Movement in deferred tax:		
Adjustment in respect of prior year	-	(20,000)
Current period	62,160	(12,000)
	<u>143,942</u>	<u>76,101</u>

*Reconciliation of effective tax rate:*

	2019 £	2018 £
Profit for the period	377,687	366,727
Total tax expense	<u>143,942</u>	<u>76,101</u>
Profit on ordinary activities before tax	<u>521,629</u>	<u>442,828</u>
Current tax at 19% (2018: 20%)	<u>101,260</u>	<u>84,137</u>
<i>Effects of:</i>		
Other timing differences	61,682	5863
Adjustment in respect of prior years	(19,000)	(13,899)
Total tax charge – see above	<u>143,942</u>	<u>76,101</u>

#### Factors that may affect future tax charges

There are no significant factors expected to impact on tax other than changes to enacted tax rates in future periods.

## Notes (continued)

### 9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings and equipment £	Plant and machinery £	Vehicles £	Total £
<b>Cost</b>						
At beginning of period	3,582,395	108,985	88,586	229,292	906,562	4,915,820
Additions	15,678	24,049	5,444	35,000	231,364	311,535
Disposals	-	-	-	-	(209,206)	(209,206)
At end of period	3,598,073	133,034	94,030	264,292	928,720	5,018,149
<b>Depreciation</b>						
At beginning of period	274,137	25,986	53,761	162,769	564,587	1,081,240
Charge for year	39,872	4,631	7,686	17,913	118,717	188,819
Released on disposals	-	-	-	-	(143,639)	(143,639)
At end of period	314,009	30,617	61,447	180,682	539,665	1,126,420
<b>Net book value</b>						
At 31 December 2019	3,284,064	102,417	32,583	83,610	389,055	3,891,729
At 30 November 2018	3,308,257	82,999	34,825	66,523	341,976	3,834,580

Depreciation charged in the year in respect of assets held under finance leases amounted to £71,054 (2018: £75,046). The net book value of these assets at 31 December 2019 was £ 242,928 (2018: £149,862).

### 10 Intangible asset – software

	£
<b>Cost</b>	
At beginning and end of the period	23,250
<b>Amortisation</b>	
At beginning of period	9,300
Charge for period	5,037
At end of period	14,337
<b>Net book value</b>	
At 31 December 2019	8,912
At 30 November 2018	13,950

## Notes (continued)

### 11 Stock

	2019 £	2018 £
Finished goods	2,097,920	2,005,001
Raw materials and consumables	850,130	536,702
	<u>2,948,050</u>	<u>2,541,703</u>

### 12 Debtors

	2019 £	2018 £
Trade debtors	1,214,809	1,426,689
Other debtors, prepayments and accrued income	168,142	11,424
	<u>1,382,951</u>	<u>1,438,113</u>

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

	2019 £	2018 £
Bank loan	98,245	104,666
Net obligations under finance leases	108,188	45,894
Trade creditors	1,123,244	944,022
Corporation tax	100,786	102,000
Other taxes and social security	312,869	286,485
Directors' loan account	401,162	530,365
Other creditors	15,352	32,860
Accruals and deferred income	158,471	246,244
	<u>2,318,317</u>	<u>2,292,536</u>

### 14 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loan	637,783	718,288
Net obligations under finance leases	168,052	82,259
	<u>805,835</u>	<u>800,547</u>

## Notes (continued)

### 14 Creditors: amounts falling due after more than one year (continued)

The bank loan falls due for repayment as follows:

	2019 £	2018 £
Due within one year	98,245	104,666
After more than one year but less than five years	637,783	718,288
	<u>736,028</u>	<u>822,954</u>

The bank loan is secured against the property at 15 Cradock Road, Reading and its associated assets.

The maturity of obligations under finance leases is as follows:

	2019 £	2018 £
Within one year	108,188	45,894
In the second to fifth years	168,052	82,259
	<u>276,240</u>	<u>128,153</u>

### 15 Provisions for liabilities – deferred tax (accelerated capital allowances)

	£
Provision brought forward	38,000
Movement in the period	62,160
	<u>100,160</u>

### 16 Called up share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

## Notes (continued)

### 17 Commitments

At 31 December 2019 there were no capital commitments (2018 £nil).

Non-cancellable operating leases are payable as follows:

	2019 £	2018 £
Within one year	<u>80,000</u>	<u>80,000</u>

During the year £80,000 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £80,000).

### 18 Related party transactions

The property at 9 Cradock Road, Reading which is leased by the company, is owned by the directors JS Green and RJ Smith. During the year rent of £40,000 was paid to JS Green and £40,000 to RJ Smith. Included in creditors is a loan payable to JS Green for £250,164 and RJ Smith for £150,998. The loan charges interest at 4% and is unsecured.

### 19 Controlling parties

The ultimate controlling parties are JS Green and RJ Smith by virtue of each holding 50% of the issued share capital of the company.

### 20 Post Balance Sheet Events

Subsequent to the Company's financial year end, the World Health Organisation (WHO) announced on 31 January 2020 a global health emergency related to a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the associated risks to international communities and the global economy, as the virus spreads beyond its point of origin. On 11 March 2020 the WHO classified the COVID-19 outbreak as a pandemic due to a rapid increase in global exposures. These events are having a significant impact on global stock markets, currencies and general business activities. The timing and extent of the impact and recovery from the COVID-19 outbreak is unknown but may have an impact on the Company's activities in an uncertain global market. The COVID-19 outbreak has no impact on the 31 December 2019 balance sheet carrying values.