

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD 1 APRIL 2019 TO 31 JULY 2020  
FOR  
SLIDERS (UK) LIMITED**

THURSDAY



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**for the Period 1 April 2019 to 31 July 2020**

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**SLIDERS (UK) LIMITED**  
**COMPANY INFORMATION**  
**for the Period 1 April 2019 to 31 July 2020**

<b>DIRECTORS:</b>	S P Mines J C L Foxcroft A W Murphy R J Harris (Non-exec) M Sherlock S J Wilson D Hague D Ridings C L Young
<b>REGISTERED OFFICE:</b>	Unit 232 Oldfield Road Walton Summit Bamber Bridge Preston PR5 8BG
<b>REGISTERED NUMBER:</b>	04452168 (England and Wales)
<b>AUDITORS:</b>	Fairhurst Statutory Auditor Chartered Accountants Douglas Bank House Wigan Lane Wigan Lancashire WN1 2TB
<b>BANKERS:</b>	Lloyds Bank Plc Fishergate Preston PR1 2JB
<b>SOLICITORS:</b>	Shoosmiths LLP The XYZ Building 2 Hardman Boulevard Manchester M3 3AZ

**STRATEGIC REPORT**  
**for the Period 1 April 2019 to 31 July 2020**

The directors present their strategic report for the 16 month period ending 31 July 2020.

**REVIEW OF BUSINESS**

This was an unprecedented period of change due to the impact of Covid 19 with steady trading during 2019 and into the start of 2020 followed by the lockdown and our eventual restart of trading in June 2021.

Sales benefited from the strategy to develop new customers and grow sales through delivery of industry leading customer service. Excluding the impact of Covid 19 sales grew by 10% with the growth continuing after the reporting date and at the date of signing these accounts we have enjoyed record sales revenues in each subsequent month.

2019 saw significant increases in input costs due to the continuing weakening in sterling, the impact of the minimum wage and other price increases, some of which we had to reluctantly pass onto our customers. Furthermore we committed to further investment in vehicles and the introduction of our own paint plant. The actual spend was largely deferred to after the lockdown and are all now fully contributing to improvements in customer service and lower unit costs in some areas.

The impact of the lockdown period excluding the changes in stock was £397k which was funded by working capital in the business and support from the Coronavirus Job Retention scheme.

We returned to normal trading during June 2020 with a streamlined product range and a more aggressive stockholding policy. The directors fully supported the return and/or write off of old 'just in case' stock, the scrapping of stock relating to old product lines and the write off of excess stock giving a stock level of 61 days compared to 109 days in 2019. The management of stock is a key function in the business and the stock levels are one of our high impact KPI's.

A heartfelt thanks goes to the majority of our suppliers whose support post lockdown was a vital ingredient to the resurrection of the business and we agreed and followed a plan with almost all our suppliers to steadily reduce the amount we owed and provide a steady payment plan for our suppliers. This plan was starting to deliver in July and at the time of writing creditor days are just under 60 days and continuing to fall.

The support from our suppliers enabled us to offer similar support to our customers and whilst there was an increase in the bad debt cost of £101k due to the impact of Covid 19 approximately half of these customers were already showing signs of distress.

Our employees are our other key stakeholder without whose effort and support we could not function. On the back of an improved pay package in 2019 we paid them 100% for half the furlough period which saw them steadily returning to work as sales rapidly increased to higher levels than expected. Post lockdown and since the year end the employees have taken advantage of higher overtime availability and we have consciously given them the opportunity to earn more rather than recruit as a means of thanking them. We also acknowledge the departure of former M.D. Ian Longbottom and thank him for establishing the Sliders business.

A key focus of the business has been enabling personal development as demonstrated by the development and education of a junior board of directors to start to manage the day to day business, with several internal promotions both on the shop floor and in the offices. We will be returning to a broader employee development plan during 2022 which had to be moth-balled due to the impact of Covid 19.

We continue to monitor the improvement in the retail home improvement sector which has undoubtedly benefitted from Covid 19, initially as people stayed at home and furthermore by the reduction in spending opportunities due to lockdown and we do not see a slowdown in this area. The Board believes it's strategy to develop new business and focus on improvements in customer service leave it in an enviable position well set for the future.

**STRATEGIC REPORT**  
for the Period 1 April 2019 to 31 July 2020

**STRATEGIC REPORT (CONT'D...)**

**KEY PERFORMANCE INDICATORS**

KPI's include sales, margins, wages and overheads which are monitored by senior management.

The following are key financial indicators:

	16 months 2020 £'000	12 months 2019 £'000
Turnover	15,128	12,247
Gross profit	5,739	5,159
Margin %	37.9%	42.1%
Operating profit before exceptionals	95	334
EBITDA	<u>(253)</u>	<u>323</u>

The board also monitors performance by reference to certain non financial KPI's. These include:

- Order intake which, at the time of writing, is between 7% and 10% up on last year
- Working capital days as mentioned earlier
- Employee numbers and direct cost as a percentage of sales

**SUMMARY**

This period has at times been frightening on a business and personal level and without the support from our suppliers and customers there would be no report to write.

Our employees have been exemplary in their commitment and support to the business and we have done our very best to reward this where possible. The business has exited lockdown in a much stronger position not just financially but as a more cohesive unit working towards improving our customers' experience.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The board is responsible for continually assessing the risks applicable to the business.

The safety of employees, customers, public and property is the priority for all company activities, and our rigorous attention to procedures is fundamental in achieving this goal.

Credit risk is mitigated through rigorous credit control procedures.

Liquidity risk is facilitated by the use of company banking, invoice finance facilities and credit control procedures.

Other risks including financial constraints, commercial and contractual, are managed internally by holding regular senior managers meetings and board meetings of Directors. We also have external providers of advice to assist the Directors in the decision making process.

**HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

The company is committed to outstanding performance in health, safety and environmental matters through a policy of training, communication and co-operation applied consistently throughout all operations.

**ON BEHALF OF THE BOARD:**



.....  
A W Murphy - Director

Date: .....

62/06/2021

**REPORT OF THE DIRECTORS**  
**for the Period 1 April 2019 to 31 July 2020**

The directors present their report with the financial statements of the company for the period 1 April 2019 to 31 July 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of the manufacture and fabrication of patio, bi-folding and composite doors.

**DIVIDENDS**

The total distribution of dividends for the period ended 31 July 2020 are £16,000 (2019 - £65,000).

**DIRECTORS**

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

S P Mines  
J C L Foxcroft  
A W Murphy  
R J Harris (Non-exec)

Other changes in directors holding office are as follows:

I G Longbottom - resigned 20 June 2019  
M J Kirk - resigned 6 June 2019  
S P Porter - appointed 10 June 2019 - resigned 1 July 2020  
M Sherlock - appointed 1 August 2019  
S J Wilson - appointed 20 June 2019  
D Hague - appointed 1 July 2020  
D Ridings - appointed 1 July 2020

C L Young was appointed as a director after 31 July 2020 but prior to the date of this report.

**GOING CONCERN**

The company has reported a loss of £641k largely as a consequence of writing down certain stocklines in the period. The total profit and loss effect is £685k (see note 5), with a prior year adjustment of £197k (see note 9). In addition there have been bad debts incurred, largely due to the effects of Covid-19 on the company's customers.

Whilst the company has net liabilities as at 31 July 2020, current management accounts and forecasts indicate both a return to profitability and positive net assets in 2020/21.

Cashflow has been positive throughout the period from June 2020 - March 2021, as the company has benefitted from a strong trading recovery post the initial lockdown.

The company remains reliant upon the support of its finance providers and director/shareholders, who have indicated their ongoing support, subject to normal commercial considerations.

On the basis of the above, the directors believe it is appropriate to adopt the going concern basis in preparation of the financial statements.

**REPORT OF THE DIRECTORS**  
for the Period 1 April 2019 to 31 July 2020

**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.

**ON BEHALF OF THE BOARD:**



J C L Foxcroft - Director

Date: 07.06.21

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SLIDERS (UK) LIMITED**

### **Opinion**

We have audited the financial statements of Sliders (UK) Limited (the 'company') for the period ended 31 July 2020 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 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 July 2020 and of its loss for the period 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.

### **Material uncertainty related to going concern**

We draw your attention to note 2 in the financial statements, which details the operating losses and net liabilities of the company. Whilst the directors believe that the company has adequate resources to continue in operational existence for the foreseeable future, it remains reliant upon the continued financial support of its finance providers and director/shareholders. The existence of operating losses and reliance of support from finance providers and director/shareholders indicate that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Emphasis of matter**

We draw your attention to Notes 5 and 9 which explain the effects of a change in stocking and supply arrangements and the consequence. Our opinion is not modified in respect of this matter.

### **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 SLIDERS (UK) 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 five, 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](http://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.

John B S Fairhurst BA (Hons) FCA (Senior Statutory Auditor)  
for and on behalf of Fairhurst  
Statutory Auditor  
Chartered Accountants  
Douglas Bank House  
Wigan Lane  
Wigan  
Lancashire  
WN1 2TB



Date: 8/6/21 .....

**INCOME STATEMENT**  
for the Period 1 April 2019 to 31 July 2020

		Period 1/4/19 to 31/7/20		Year Ended 31/3/19 as restated £
	Notes	£	£	£
<b>TURNOVER</b>		15,127,753		12,246,605
Cost of sales	5	<u>9,388,691</u>		<u>7,087,863</u>
<b>GROSS PROFIT</b>		5,739,062		5,158,742
Administrative expenses		<u>6,809,511</u>		<u>5,021,974</u>
		(1,070,449)		136,768
Other operating income		<u>481,472</u>		-
<b>OPERATING (LOSS)/PROFIT</b>	4, 5	(588,977)		136,768

Attributable to:		
Operating profit before exceptional items	<u>95,540</u>	<u>334,128</u>

Interest payable and similar expenses	6	<u>180,365</u>	<u>116,274</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(769,342)	20,494
Tax on (loss)/profit	7	<u>(128,151)</u>	<u>27,357</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<u>(641,191)</u>	<u>(6,863)</u>

**OTHER COMPREHENSIVE INCOME**  
for the Period 1 April 2019 to 31 July 2020

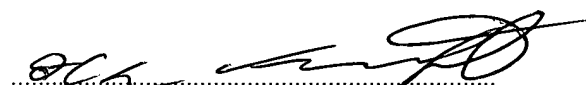
	Notes	Period 1/4/19 to 31/7/20 £	Year Ended 31/3/19 as restated £
<b>LOSS FOR THE PERIOD</b>		(641,191)	(6,863)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>			<u>(6,863)</u>
Prior year adjustment	Note 9	(197,360)	
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>		<u>(838,551)</u>	

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 July 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,419,923		1,202,742
<b>CURRENT ASSETS</b>					
Stocks	11	803,908		1,552,300	
Debtors	12	2,841,368		2,702,681	
Cash at bank and in hand		<u>11,770</u>		<u>330</u>	
		3,657,046		4,255,311	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>4,787,525</u>		<u>4,454,422</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,130,479)</u>		<u>(199,111)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			289,444		1,003,631
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(422,362)		(371,347)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>-</u>		<u>(108,011)</u>
<b>NET (LIABILITIES)/ASSETS</b>			<u><u>(132,918)</u></u>		<u><u>524,273</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		223		223
Capital redemption reserve	20		7		7
Retained earnings	20		<u>(133,148)</u>		<u>524,043</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>(132,918)</u></u>		<u><u>524,273</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 07-06-21 and were signed on its behalf by:



J C L Foxcroft - Director

**STATEMENT OF CHANGES IN EQUITY**  
**for the Period 1 April 2019 to 31 July 2020**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2018</b>	223	595,906	7	596,136
<b>Changes in equity</b>				
Dividends	-	(65,000)	-	(65,000)
Total comprehensive income	-	190,497	-	190,497
<b>Balance at 31 March 2019</b>	<u>223</u>	<u>721,403</u>	<u>7</u>	<u>721,633</u>
Prior year adjustment	-	(197,360)	-	(197,360)
As restated	<u>223</u>	<u>524,043</u>	<u>7</u>	<u>524,273</u>
<b>Changes in equity</b>				
Dividends	-	(16,000)	-	(16,000)
Total comprehensive income	-	(641,191)	-	(641,191)
<b>Balance at 31 July 2020</b>	<u>223</u>	<u>(133,148)</u>	<u>7</u>	<u>(132,918)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Period 1 April 2019 to 31 July 2020**

**1. STATUTORY INFORMATION**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

The company has reported a loss of £641k largely as a consequence of writing down certain stocklines in the period. The total profit and loss effect is £685k (see note 5), with a prior year adjustment of £197k (see note 9). In addition there have been bad debts incurred, largely due to the effects of Covid-19 on the company's customers.

Whilst the company has net liabilities as at 31 July 2020, current management accounts and forecasts indicate both a return to profitability and positive net assets in 2020/21.

Cashflow has been positive throughout the period from June 2020 - to March 2021, as the company has benefitted from a strong trading recovery post the initial lockdown.

The company remains reliant upon the support of its finance providers and director/shareholders, who have indicated their ongoing support, subject to normal commercial considerations.

On the basis of the above, the directors believe it is appropriate to adopt the going concern basis in preparation of the financial statements.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**a) Useful economic lives**

The useful economic lives of tangible fixed assets are assessed on an annual basis on the latest available information. Management believe that the useful economic lives being used currently are still appropriate.

**b) Stock provision**

Stock provisions and estimates of any write downs are made using information and assessments by experienced management. The basis on which any provision is calculated considers ageing, usage and scrap values of older stock lines.

**Exceptional items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are non-recurring material items of income and expense that have been shown separately due to the significance of their nature or amount. Examples of items within exceptional items are restructuring and reorganisation costs, and impairment of fixed assets, tangible or intangible. Management consider, on a case by case basis, whether costs are exceptional based on the specific circumstances.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**2. ACCOUNTING POLICIES - continued**

**Turnover**

The whole of the turnover is attributable to the company's principal activities, which, in the opinion of the directors, constitutes one class of business.

Turnover is measured at the fair value of the consideration received or receivable for goods supplied, stated net of Value Added Tax.

The company recognises revenue when the significant risks and rewards of ownership has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation and impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Assets held under finance leases are depreciated in the same manner as owned assets.

Improvements to property	-	over the life of the lease
Plant and machinery	-	15% on reducing balance
Fixtures and fittings	-	15% on reducing balance
Motor vehicles	-	20-25% on reducing balance
Office equipment	-	25% on reducing balance and 33% straight line basis

**Impairment of assets**

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

**Government income**

The company has claimed monies from HMRC as part of the Government furlough scheme. This is recognised immediately the benefit becomes due.

**Stocks and work in progress**

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Work in progress and finished goods are valued at cost plus an appropriate proportion of fixed and variable overheads. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress or finished goods.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, 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 statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**2. ACCOUNTING POLICIES - continued**

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 period end and that are expected to apply to the reversal of the timing difference.

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

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

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

**Finance lease and leasing commitments**

Assets are classified as finance leases when they transfer substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The liability is included in the balance sheet (statement of financial position) as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised immediately in the profit and loss account.

Assets held under finance leases are included as tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to the amounts owed to the lessor.

**Short term employee benefits**

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**Interest bearing borrowings**

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Period 1 April 2019 to 31 July 2020

3. EMPLOYEES AND DIRECTORS

	Period 1/4/19 to 31/7/20	Year Ended 31/3/19 as restated
	£	£
Wages and salaries	3,746,644	2,842,450
Social security costs	342,976	264,365
Other pension costs	90,186	39,588
	<u>4,179,806</u>	<u>3,146,403</u>

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

	Period 1/4/19 to 31/7/20	Year Ended 31/3/19 as restated
Production	66	71
Administration	<u>35</u>	<u>32</u>
	<u>101</u>	<u>103</u>

	Period 1/4/19 to 31/7/20	Year Ended 31/3/19 as restated
	£	£
Directors' remuneration	673,844	519,319
Directors' pension contributions to money purchase schemes	<u>29,056</u>	<u>11,306</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	Period 1/4/19 to 31/7/20	Year Ended 31/3/19 as restated
	£	£
Emoluments etc	161,417	119,764
Pension contributions to money purchase schemes	<u>8,341</u>	<u>3,550</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Period 1 April 2019 to 31 July 2020**

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2019 - operating profit) is stated after charging:

	Period 1/4/19 to 31/7/20	Year Ended 31/3/19 as restated
	£	£
Depreciation - owned assets	207,835	108,931
Depreciation - assets on finance leases	128,484	77,157
Auditors' remuneration	10,250	10,000
Foreign exchange differences	14,015	3,696
Accountancy and tax	5,000	5,000
Lease rentals - property	<u>271,826</u>	<u>195,786</u>

**5. EXCEPTIONAL ITEMS**

During the period the Directors approved a revised, streamlined product, manufacturing and sales strategy. As a consequence of previously agreed stocking and supply arrangements, a number of stock lines have become obsolete and been scrapped and/or returned to suppliers.

The effect of the above has been an exceptional writedown of stock in the current period and prior year.

Also, exceptional costs were incurred relating to bad debt write offs on certain customers who have been affected by the Covid-19.

The effect of both exceptional items are as follows:

	2020 £	2019 £	Total £
Stock writedown (included in Cost of Sales)	583,534	197,360	780,894
Bad debts (included in Admin Expenses)	<u>100,983</u>	<u>-</u>	<u>100,983</u>
	<u>684,517</u>	<u>197,360</u>	<u>881,877</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1/4/19 to 31/7/20	Year Ended 31/3/19 as restated
	£	£
Bank interest	69,915	41,938
Invoice discounting interest	84,876	63,139
Lease purchase	<u>25,574</u>	<u>11,197</u>
	<u>180,365</u>	<u>116,274</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**7. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the period was as follows:

	Period 1/4/19 to 31/7/20 £	Year Ended 31/3/19 as restated £
Current tax:		
UK corporation tax	-	20,138
Corporation tax - prior period	<u>(20,140)</u>	<u>(119)</u>
Total current tax	<u>(20,140)</u>	<u>20,019</u>
Deferred tax:		
Current year	(125,642)	7,338
Prior periods	<u>17,631</u>	<u>-</u>
Total deferred tax	<u>(108,011)</u>	<u>7,338</u>
Tax on (loss)/profit	<u><u>(128,151)</u></u>	<u><u>27,357</u></u>

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	Period 1/4/19 to 31/7/20 £	Year Ended 31/3/19 as restated £
(Loss)/profit before tax	<u>(769,342)</u>	<u>20,494</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(146,175)	3,894
Effects of:		
Expenses not deductible for tax purposes	19,361	2,275
Income not taxable for tax purposes	(37,498)	37,498
Depreciation in excess of capital allowances	11,612	1,072
Adjustments to tax charge in respect of previous periods	(20,140)	(119)
Research and development	-	(9,620)
Chargeable gains/(losses)	-	(6,780)
Adjustment to tax charge in respect of prior periods - deferred tax	17,631	-
Adjust closing deferred tax to average rate	-	(12,707)
Adjust opening deferred tax to average rate	-	11,844
Remeasurement of deferred tax for changes in tax rates	14,781	-
Deferred tax not recognised	12,276	-
Unexplained differences	<u>1</u>	<u>-</u>
Total tax (credit)/charge	<u><u>(128,151)</u></u>	<u><u>27,357</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**8. DIVIDENDS**

	Period 1/4/19 to 31/7/20 £	Year Ended 31/3/19 as restated £
Ordinary A shares of 1p each		
Final	<u>16,000</u>	<u>65,000</u>

**9. PRIOR YEAR ADJUSTMENT**

During the period the Directors approved a revised, streamlined product, manufacturing and sales strategy. As a consequence of previously agreed stocking and supply arrangements, a number of stock lines have become obsolete and been scrapped and/or returned to suppliers.

The effect of the above was that some of the older stocks which had been held at 31 March 2019 should have been written off in that year, totalling £197,360. There is no tax effect with regards to this adjustment.

**10. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 April 2019	129,044	1,543,223	68,911
Additions	123,736	227,498	-
Disposals	<u>-</u>	<u>(46)</u>	<u>(1,261)</u>
At 31 July 2020	<u>252,780</u>	<u>1,770,675</u>	<u>67,650</u>
<b>DEPRECIATION</b>			
At 1 April 2019	27,222	909,687	33,010
Charge for period	26,850	130,901	6,948
Eliminated on disposal	<u>-</u>	<u>(46)</u>	<u>(1,261)</u>
At 31 July 2020	<u>54,072</u>	<u>1,040,542</u>	<u>38,697</u>
<b>NET BOOK VALUE</b>			
At 31 July 2020	<u>198,708</u>	<u>730,133</u>	<u>28,953</u>
At 31 March 2019	<u>101,822</u>	<u>633,536</u>	<u>35,901</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the Period 1 April 2019 to 31 July 2020

**10. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Office equipment £	Totals £
<b>COST</b>			
At 1 April 2019	706,081	264,780	2,712,039
Additions	224,352	5,410	580,996
Disposals	<u>(30,030)</u>	<u>(1,827)</u>	<u>(33,164)</u>
At 31 July 2020	<u>900,403</u>	<u>268,363</u>	<u>3,259,871</u>
<b>DEPRECIATION</b>			
At 1 April 2019	446,699	92,679	1,509,297
Charge for period	97,358	74,262	336,319
Eliminated on disposal	<u>(2,534)</u>	<u>(1,827)</u>	<u>(5,668)</u>
At 31 July 2020	<u>541,523</u>	<u>165,114</u>	<u>1,839,948</u>
<b>NET BOOK VALUE</b>			
At 31 July 2020	<u>358,880</u>	<u>103,249</u>	<u>1,419,923</u>
At 31 March 2019	<u>259,382</u>	<u>172,101</u>	<u>1,202,742</u>

The net book value of tangible fixed assets included £636,975 (2019 - £478,787) in respect of assets held under finance leases.

**11. STOCKS**

	2020 £	2019 as restated £
Stocks	756,513	1,403,976
Work-in-progress	-	41,992
Finished goods	<u>47,395</u>	<u>106,332</u>
	<u>803,908</u>	<u>1,552,300</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 as restated £
Trade debtors	1,756,775	1,747,329
Amounts owed by group undertakings	761,273	657,918
Amounts owed by participating interest	129,835	-
Other debtors	9,334	7,148
Directors' current accounts	-	9,190
Tax	4,820	7,075
Prepayments	<u>179,331</u>	<u>274,021</u>
	<u>2,841,368</u>	<u>2,702,681</u>

The company has an invoice discounting arrangement against which certain trade debtors are assigned.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019 as restated
	£	£
Bank loans and overdrafts (see note 15)	-	1,714
Other loans (see note 15)	78,989	192,683
Finance leases (see note 16)	141,334	101,419
Trade creditors	2,092,279	2,154,015
Tax	-	31,625
Social security and other taxes	899,913	451,600
Other creditors	52,525	9,924
Invoice discounting creditor	1,231,954	1,426,573
Directors' current accounts	166,594	9,118
Accrued expenses	<u>123,937</u>	<u>75,751</u>
	<u><u>4,787,525</u></u>	<u><u>4,454,422</u></u>

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

	2020	2019 as restated
	£	£
Other loans (see note 15)	109,465	143,672
Finance leases (see note 16)	<u>312,897</u>	<u>227,675</u>
	<u><u>422,362</u></u>	<u><u>371,347</u></u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2020	2019 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	1,714
Other loans - secured	69,267	83,016
Other loans - unsecured	<u>9,722</u>	<u>109,667</u>
	<u><u>78,989</u></u>	<u><u>194,397</u></u>
Amounts falling due between one and two years:		
Other loans - secured	58,215	117,700
Other loans - unsecured	<u>50,000</u>	<u>9,722</u>
	<u><u>108,215</u></u>	<u><u>127,422</u></u>
Amounts falling due between two and five years:		
Other loans - secured	<u><u>1,250</u></u>	<u><u>16,250</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Period 1 April 2019 to 31 July 2020

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2020	2019 as restated
	£	£
Net obligations repayable:		
Within one year	141,334	101,419
Between one and five years	<u>312,897</u>	<u>227,675</u>
	<u>454,231</u>	<u>329,094</u>
	Non-cancellable operating leases	
	2020	2019 as restated
	£	£
Within one year	235,498	227,237
Between one and five years	820,000	828,137
In more than five years	<u>1,640,000</u>	<u>1,845,000</u>
	<u>2,695,498</u>	<u>2,900,374</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019 as restated
	£	£
Finance leases	454,231	329,094
Invoice discounting	1,231,954	1,426,573
Other loan	<u>128,732</u>	<u>216,966</u>
	<u>1,814,917</u>	<u>1,972,633</u>

Finance lease liabilities are secured on the fixed assets concerned.

The invoice discounting facility is secured by an all asset debenture over the company's assets and all assets debenture and corporate guarantees with Pompian Brow Limited and 232 Investments Limited. Also, Joint & Several personal guarantees limited to £90,000 of Alex Murphy, Jonathan Foxcroft and Stephen Mines incorporating an unlimited warranty and indemnity.

Other loans are secured by certain directors personal guarantees.

18. PROVISIONS FOR LIABILITIES

	2020	2019 as restated
	£	£
Deferred tax	<u>-</u>	<u>108,011</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**18. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 April 2019	108,011
Credit to Income Statement during period	<u>(108,011)</u>
Balance at 31 July 2020	<u><u>-</u></u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 as restated £
20,000	Ordinary A	1p	200	200
1,150	Ordinary D	1p	11	11
1,150	Ordinary E	1p	<u>12</u>	<u>12</u>
			<u><u>223</u></u>	<u><u>223</u></u>

The rights of the shares are as follows:

**Ordinary A shares**

- i) are non-redeemable,
- ii) carry full voting rights,
- iii) no entitlement to dividends other than dividends declared by directors/members,
- iv) equal rights on winding up

**Ordinary D and E shares**

- i) are non-redeemable,
- ii) no entitlement to dividends other than dividends declared by directors/members,
- iii) equal rights on winding up

**20. RESERVES**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2019	721,403	7	721,410
Prior year adjustment	<u>(197,360)</u>	<u>-</u>	<u>(197,360)</u>
	524,043	7	524,050
Deficit for the period	<u>(641,191)</u>	<u>-</u>	<u>(641,191)</u>
Dividends	<u>(16,000)</u>	<u>-</u>	<u>(16,000)</u>
At 31 July 2020	<u><u>(133,148)</u></u>	<u><u>7</u></u>	<u><u>(133,141)</u></u>

Retained earnings includes all current and prior retained period profits and losses.

The capital redemption reserve represents a non-distributable reserve and represents the amount of cancelled share capital under s733 of the Companies Act 2006.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**21. PENSION COMMITMENTS**

The company operates defined contribution pension schemes for certain directors and employees. The assets of the schemes are separately held from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £90,186 (2019 - £39,588). Contributions outstanding at the period end were £51,748 (2019 - £8,172).

**22. ULTIMATE PARENT COMPANY**

Pompian Brow Limited is regarded by the directors as being the company's ultimate parent company.

**23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

	2020	2019
	£	as restated £
<b>A W Murphy</b>		
Balance outstanding at start of period	(6,939)	(12,346)
Amounts advanced	136,176	60,452
Amounts repaid	(79,610)	(55,045)
Balance outstanding at end of period	<u>49,627</u>	<u>(6,939)</u>
<b>S P Mines</b>		
Balance outstanding at start of period	7,554	(2,935)
Amounts advanced	85,584	26,475
Amounts repaid	(35,306)	(15,986)
Balance outstanding at end of period	<u>57,832</u>	<u>7,554</u>
<b>JCL Foxcroft</b>		
Balance outstanding at start of period	1,564	3,214
Amounts advanced	86,945	17,713
Amounts repaid	(45,373)	(19,363)
Balance outstanding at end of period	<u>43,136</u>	<u>1,564</u>

The above loans are unsecured, repayable on demand and attract interest at 2.5%.

**24. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Norwest Ambulance Limited**

Several directors are also directors of Norwest Ambulance Limited. During the period advances of £40,150 together with recharges of expenses of £184,685 were made. Repayments of £95,000 were recorded, with a period end balance remaining of £129,835.

**Other loans**

Loans were made to the company from a director's wife, amounting to £185,000 (2019 - £218,000), with repayments made of £283,401 (2019 - £125,000). As at the period end £nil (2019 - £93,000) remains outstanding. Interest of £5,401 (2019 - £20,000) has been charged during the period.

**Non-exec fees**

A director provides consultancy fees to the company. This amounted to £83,709 (2019 - £55,890) and at the period end £7,301 (2019 - £1,500) remains outstanding.

Directors have provided personal guarantees amounting to £82,482 (2019 - £197,500) on other loans during the year.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 1 April 2019 to 31 July 2020**

**25. ULTIMATE CONTROLLING PARTY**

The directors have ultimate control of the company.