

Company Registration No. 07284161 (England and Wales)

TRIGGERDOWN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

TRIGGERDOWN LIMITED

COMPANY INFORMATION

Directors	M Barker V Woods
Secretary	C Barker
Company number	07284161
Registered office	Denton Holme Sawmills Denton Street Carlisle Cumbria CA2 5EQ
Auditor	BHP LLP 1st Floor, Mayesbrook House Lawnswood Business Park Redvers Close Leeds LS16 6QY

TRIGGERDOWN LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Notes to the financial statements	13 - 29

TRIGGERDOWN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Fair review of the business

The group's Balance Sheet as detailed on page 7 shows a satisfactory position, shareholder's funds amounting to £2,141,970 (2018: £1,918,111).

The group supplies timber, kitchen and joinery products, to both trade and retail customers from its five branches in Carlisle, Dumfries, Kilmarnock, Stranraer and Barrow in Furness.

The directors are pleased to report another profitable year of trading for the group, the results showing turnover of £14,441,755 and Gross Profit of 36.02%.

Cash resources have been managed carefully during the period with the group continuing to trade well within its banking facilities.

The directors believe that the group is well positioned to take advantage of the opportunities as they are presented.

Principal risks and uncertainties

The directors continue to monitor and anticipate changes in the market place and embrace new products and technologies to ensure the group remains a market leader.

The group is exposed to movements in exchange rates on the cost of raw materials. The directors monitor the exposure regularly to market conditions enabling cost savings with bulk buying for competitive selling prices to trade and retail.

The directors have recognised the risks surrounding trading performance following the COVID-19 outbreak. The group has been quick to take advantage of government assistance available including furloughing staff, obtaining retail rates relief, obtaining finance under the Corona Business Interruption Loan Scheme, taking advantage of deferment on tax payments and keeping a tight control over fixed costs. The lockdown in late March resulted in a low level of trading through April but May saw a significant increase in turnover and profitability which is expected to continue growing through June and July.

New build housing is recovering along with customers continuing to upgrade their existing properties thus enabling the group to embrace all opportunities in the market. Low interest rates continuing and contributing to growth.

Trade debt is closely monitored to keep bad debt risk to an absolute minimum.

Overhead costs are closely monitored and cash flow tightly controlled.

Key performance indicators

Turnover

Turnover has increased by 7.35% to £14,441,755 (2018: £13,453,023).

Gross margin

A margin of 36.02% has been recorded, (2018: 35.91%) due to a focus on bulk buying in order to allow competitive selling to trade and retail, gaining new market shares.

On behalf of the board

M Barker

Director

12 June 2020

TRIGGERDOWN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities

The principal activity of the group continued to be that of timber merchants and kitchen furniture suppliers.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Barker

V Woods

Results and dividends

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

Ordinary dividends were paid amounting to £697,275. The directors do not recommend payment of a further dividend.

Auditor

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

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

TRIGGERDOWN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

M Barker

Director

12 June 2020

TRIGGERDOWN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRIGGERDOWN LIMITED

Opinion

We have audited the financial statements of Triggerdown Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's or the parent 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 included in the annual report, other than the financial statements and our auditor's report 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.

TRIGGERDOWN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRIGGERDOWN LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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.

TRIGGERDOWN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TRIGGERDOWN LIMITED

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.

Michael Jackson (Senior Statutory Auditor)
for and on behalf of BHP LLP

17 June 2020

Chartered Accountants
Statutory Auditor

1st Floor, Mayesbrook House
Lawnswood Business Park
Redvers Close
Leeds
LS16 6QY

TRIGGERDOWN LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	14,441,755	13,453,023
Cost of sales		(9,247,994)	(8,621,397)
Gross profit		5,193,761	4,831,626
Administrative expenses		(4,019,496)	(3,714,184)
Operating profit	4	1,174,265	1,117,442
Interest receivable and similar income	7	15,066	15,837
Interest payable and similar expenses	8	(25,540)	(31,500)
Profit before taxation		1,163,791	1,101,779
Tax on profit	9	(242,657)	(209,905)
Profit for the financial year		921,134	891,874

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

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

TRIGGERDOWN LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		738,216		658,701
Current assets					
Stocks	14	1,269,408		1,281,601	
Debtors	15	1,596,207		2,012,368	
Cash at bank and in hand		1,513,950		1,416,690	
		<u>4,379,565</u>		<u>4,710,659</u>	
Creditors: amounts falling due within one year	16	<u>(2,839,250)</u>		<u>(3,220,297)</u>	
Net current assets			<u>1,540,315</u>		<u>1,490,362</u>
Total assets less current liabilities			<u>2,278,531</u>		<u>2,149,063</u>
Creditors: amounts falling due after more than one year	17		(41,311)		(165,346)
Provisions for liabilities	20		(95,250)		(65,606)
Net assets			<u>2,141,970</u>		<u>1,918,111</u>
Capital and reserves					
Called up share capital	22		56,250		56,250
Profit and loss reserves			<u>2,085,720</u>		<u>1,861,861</u>
Total equity			<u>2,141,970</u>		<u>1,918,111</u>

The financial statements were approved by the board of directors and authorised for issue on 12 June 2020 and are signed on its behalf by:

M Barker
Director

TRIGGERDOWN LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	12		50,000		50,000
Current assets					
Debtors	15	594		369	
Cash at bank and in hand		6,250		6,250	
		<u>6,844</u>		<u>6,619</u>	
Creditors: amounts falling due within one year	16	<u>(38)</u>		<u>(38)</u>	
Net current assets			6,806		6,581
Total assets less current liabilities			<u>56,806</u>		<u>56,581</u>
Capital and reserves					
Called up share capital	22		56,250		56,250
Profit and loss reserves			556		331
Total equity			<u>56,806</u>		<u>56,581</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £697,500 (2018 - £701,500 profit).

The financial statements were approved by the board of directors and authorised for issue on 12 June 2020 and are signed on its behalf by:

M Barker
Director

Company Registration No. 07284161

TRIGGERDOWN LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2018		56,250	1,671,156	1,727,406
Period ended 31 December 2018:				
Profit and total comprehensive income for the year		-	891,874	891,874
Dividends	10	-	(701,169)	(701,169)
Balance at 31 December 2018		56,250	1,861,861	1,918,111
Period ended 31 December 2019:				
Profit and total comprehensive income for the year		-	921,134	921,134
Dividends	10	-	(697,275)	(697,275)
Balance at 31 December 2019		56,250	2,085,720	2,141,970

TRIGGERDOWN LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2018		56,250	-	56,250
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	701,500	701,500
Dividends	10	-	(701,169)	(701,169)
Balance at 31 December 2018		56,250	331	56,581
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	697,500	697,500
Dividends	10	-	(697,275)	(697,275)
Balance at 31 December 2019		56,250	556	56,806

TRIGGERDOWN LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	28	1,530,766		1,605,454	
Interest paid		(25,540)		(31,500)	
Income taxes paid		(240,624)		(225,616)	
Net cash inflow from operating activities		1,264,602		1,348,338	
Investing activities					
Purchase of tangible fixed assets		(254,580)		(107,190)	
Proceeds on disposal of tangible fixed assets		72,264		42,360	
Interest received		15,066		15,837	
Net cash used in investing activities		(167,250)		(48,993)	
Financing activities					
Movement in directors loan account		(53,930)		(1,512)	
Repayment of bank loans		(199,917)		(66,780)	
Payment of finance leases obligations		(48,970)		(62,833)	
Dividends paid to equity shareholders		(697,275)		(701,169)	
Net cash used in financing activities		(1,000,092)		(832,294)	
Net increase in cash and cash equivalents		97,260		467,051	
Cash and cash equivalents at beginning of year		1,416,690		949,639	
Cash and cash equivalents at end of year		1,513,950		1,416,690	

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Triggerdown Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Denton Holme Sawmills, Denton Street, Carlisle, Cumbria, CA2 5EQ.

The group consists of Triggerdown Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Triggerdown Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2019.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Triggerdown Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

1.3 Going concern

The directors have considered the impact of COVID-19 on the group's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the directors are confident that they have in place plans to deal with any financial losses that may arise. Such plans include but are not limited to:

- Reviewing all areas of fixed costs for potential cost reductions
- Keeping close control of the group's cashflow and extending our facilities with Natwest Bank
- Furloughing staff with immediate effect from Government closure, 24 March 2020
- Planning phased return to work when Government in England and Scotland announce their policies and in turn planning staff requirements on a phased return basis as and when business activity allows.

Having carried out a detailed review of the group's resources and the challenges presented by the current economic climate, the directors are satisfied that the group has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements. Accordingly, the accounts have been prepared on a going concern basis.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.5 Tangible fixed assets

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

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

Leasehold land and buildings	over the period of the lease
Plant and equipment	4% - 10% straight line
Fixtures and fittings	10% - 25% straight line
Motor vehicles	25% - 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Fixed asset investments

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

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

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

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

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

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

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

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

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

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

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Supply of kitchen furniture, timber and related products	14,441,755	13,453,023
	<u>14,441,755</u>	<u>13,453,023</u>
	2019 £	2018 £
Other significant revenue		
Interest income	15,066	15,837
	<u>15,066</u>	<u>15,837</u>
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	14,441,755	13,453,023
	<u>14,441,755</u>	<u>13,453,023</u>

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the group's auditors for the audit of the group's financial statements (Group: £8,750, Company £1,200)	9,950	9,700
Depreciation of owned tangible fixed assets	155,335	143,363
Depreciation of tangible fixed assets held under finance leases	33,601	47,286
(Profit)/loss on disposal of tangible fixed assets	(18,083)	3,681
Cost of stocks recognised as an expense	9,141,020	8,508,928
Operating lease charges	321,600	315,600
	<u>9,950</u>	<u>9,700</u>

5 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Number of production staff	57	57	-	-
Number of administrative staff	20	19	-	-
Number of management staff	2	2	-	-
	<u>79</u>	<u>78</u>	<u>-</u>	<u>-</u>
Total	79	78	-	-

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,194,962	1,905,264	-	-
Social security costs	191,436	172,598	-	-
Pension costs	85,559	72,203	-	-
	<u>2,471,957</u>	<u>2,150,065</u>	<u>-</u>	<u>-</u>

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	54,867	52,175
Company pension contributions to defined contribution schemes	36,000	36,000
	<u>90,867</u>	<u>88,175</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	15,066	15,837
	<u>15,066</u>	<u>15,837</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	3,843	8,073
Interest on invoice finance arrangements	17,653	16,386
Interest on finance leases and hire purchase contracts	4,044	7,041
	<u>25,540</u>	<u>31,500</u>

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	212,000	226,452
Adjustments in respect of prior periods	1,013	-
Total current tax	213,013	226,452
Deferred tax		
Origination and reversal of timing differences	29,644	(11,587)
Adjustment in respect of prior periods	-	(4,960)
Total deferred tax	29,644	(16,547)
Total tax charge	242,657	209,905

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

	2019 £	2018 £
Profit before taxation	1,163,791	1,101,779
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	221,120	209,338
Tax effect of expenses that are not deductible in determining taxable profit	15,399	4,173
Adjustments in respect of prior years	1,013	-
Depreciation on assets not qualifying for tax allowances	8,508	-
Deferred tax adjustments in respect of prior years	-	(4,960)
Change in deferred tax rates	(3,552)	1,354
	169	-
Taxation charge	242,657	209,905

10 Dividends

	2019 £	2018 £
Interim paid	697,275	701,169

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2019	443,881	222,552	803,105	523,712	1,993,250
Additions	39,150	-	99,315	184,167	322,632
Disposals	-	-	(114,747)	(111,921)	(226,668)
At 31 December 2019	483,031	222,552	787,673	595,958	2,089,214
Depreciation and impairment					
At 1 January 2019	198,120	222,552	517,855	396,022	1,334,549
Depreciation charged in the year	44,780	-	62,231	81,925	188,936
Eliminated in respect of disposals	-	-	(80,754)	(91,733)	(172,487)
At 31 December 2019	242,900	222,552	499,332	386,214	1,350,998
Carrying amount					
At 31 December 2019	240,131	-	288,341	209,744	738,216
At 31 December 2018	245,761	-	285,250	127,690	658,701

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019 £	2018 £	Company 2019 £	2018 £
Fixtures and fittings	36,280	3,064	-	-
Motor vehicles	50,536	63,972	-	-
	86,816	67,036	-	-

12 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	13	-	-	50,000	50,000

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Fixed asset investments (Continued)

Movements in fixed asset investments		Shares in group undertakings
Company		£
Cost or valuation		
At 1 January 2019 and 31 December 2019		50,000
Carrying amount		
At 31 December 2019		50,000
At 31 December 2018		50,000

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Andersons (Denton Holme) Limited	Denton Holme Sawemills, Denton Street, Carlisle, Cumbria, CA2 5EQ	Timber merchants and kitchen furniture suppliers	Ordinary	100.00	0

14 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Work in progress	40,000	40,000	-	-
Finished goods and goods for resale	1,229,408	1,241,601	-	-
	1,269,408	1,281,601	-	-

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	495,692	725,547	-	-
Corporation tax recoverable	82,701	69,399	-	-
Amounts owed by group undertakings	-	-	594	369
Amounts owed by related parties	431,954	605,321	-	-
Other debtors	422,897	455,253	-	-
Prepayments and accrued income	162,963	156,848	-	-
	<u>1,596,207</u>	<u>2,012,368</u>	<u>594</u>	<u>369</u>

16 Creditors: amounts falling due within one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	18	-	34,571	-	-
Obligations under finance leases	19	20,172	42,401	-	-
Trade creditors		1,213,134	1,446,297	-	-
Corporation tax payable		202,871	217,180	-	-
Other taxation and social security		231,208	233,623	-	-
Other creditors		691,042	886,477	38	38
Accruals and deferred income		480,823	359,748	-	-
		<u>2,839,250</u>	<u>3,220,297</u>	<u>38</u>	<u>38</u>

17 Creditors: amounts falling due after more than one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	18	-	165,346	-	-
Obligations under finance leases	19	41,311	-	-	-
		<u>41,311</u>	<u>165,346</u>	<u>-</u>	<u>-</u>

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

Payable by instalments	-	56,655	-	-
	<u>-</u>	<u>56,655</u>	<u>-</u>	<u>-</u>

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	-	199,917	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable within one year	-	34,571	-	-
Payable after one year	-	165,346	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The bank loans were secured by a fixed and floating charge over the assets of the group as well as a cross guarantee between Andersons (Denton Holme) Limited, its parent company, Triggerdown Limited and an associated undertaking, Reverseword Limited. The bank loans were also secured on the property in Kirkbean, Dumfries.

Included within other creditors is an invoice discounting balance amounting to £421,899 (2018: £523,879) which is secured on the debts to which the balance relates.

19 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	20,172	42,401	-	-
In two to five years	41,311	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	61,483	42,401	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The obligations are secured on the assets to which they relate.

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Group		
In respect of accelerated capital allowances	95,250	65,606

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 January 2019	65,606	-
Charge to profit or loss	29,644	-
Liability at 31 December 2019	95,250	-

21 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	85,559	72,203

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

22 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
45,000 Ordinary shares of £1 each	45,000	45,000
11,250 Ordinary A shares of £1 each	11,250	11,250
	56,250	56,250

Both ordinary and ordinary A shares rank pari passu and carry full voting, dividend and capital distribution (including on winding up) rights.

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

23 Operating lease commitments

Lessee

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	335,068	334,301	-	-
Between two and five years	1,301,206	1,291,900	-	-
In over five years	1,742,450	2,058,450	-	-
	<u>3,378,724</u>	<u>3,684,651</u>	<u>-</u>	<u>-</u>

24 Events after the reporting date

As part of their assessment of the going concern basis of preparation, the directors have considered the impact of the COVID-19 pandemic on the group's trade, workforce, supply chain and the wider economies in which it operates. It is the view of the directors that the events which have significantly impacted the group are the direct result of Government and International policy in response to the pandemic (for example restrictions on travel, trade and personal interaction) and such policy only arose after the balance sheet date. The directors therefore consider the impact of the COVID-19 on the business to be non-adjusting post-balance sheet events.

25 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Purchase of goods	
	2019 £	2018 £
Group		
Other related parties	<u>321,600</u>	<u>316,000</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		
	Balance £	Provision £	Net £
Group - 2019			
Other related parties	<u>434,116</u>	<u>-</u>	<u>434,116</u>
Group - 2018			
Other related parties	<u>902,313</u>	<u>63,562</u>	<u>838,751</u>

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

25 Related party transactions (Continued)

26 Directors' transactions

Advances or credits have been granted by the group to its directors as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Directors' loan account	-	456,228	446,792	-	500,723	402,297
		<u>456,228</u>	<u>446,792</u>	<u>-</u>	<u>500,723</u>	<u>402,297</u>

27 Controlling party

The ultimate controlling party is M Barker by virtue of his shareholding.

28 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	921,134	891,874
Adjustments for:		
Taxation charged	242,657	209,905
Finance costs	25,540	31,500
Investment income	(15,066)	(15,837)
(Gain)/loss on disposal of tangible fixed assets	(18,083)	3,681
Depreciation and impairment of tangible fixed assets	188,936	190,649
Movements in working capital:		
Decrease in stocks	12,193	10,420
Decrease in debtors	483,393	263,839
(Decrease)/increase in creditors	(309,938)	19,423
Cash generated from operations	<u>1,530,766</u>	<u>1,605,454</u>

TRIGGERDOWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

29 Analysis of changes in net funds - group

	1 January 2019	Cash flows	New finance leases	31 December 2019
	£	£	£	£
Cash at bank and in hand	1,416,690	97,260	-	1,513,950
Borrowings excluding overdrafts	(199,917)	199,917	-	-
Obligations under finance leases	(42,401)	48,970	(68,052)	(61,483)
	<u>1,174,372</u>	<u>346,147</u>	<u>(68,052)</u>	<u>1,452,467</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.