

Askern Holdings Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 March 2020

Askern Holdings Limited

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Askern Holdings Limited

Company Information

Directors	Mr D Murray Mrs M Murray
Registered office	28 Lidgate Crescent Langthwaite Business Park South Kirkby Pontefract WF9 3NR
Bankers	HSBC Bank 1 High Street Doncaster South Yorkshire DN1 1EE
Auditors	Crozier Jones Chartered Certified Accountants and Registered Auditors 9/13 Thorne Road Doncaster South Yorkshire DN1 2HJ

Askern Holdings Limited

Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Principal activity

The principal activity of the group is the design and manufacture of cable reels.

Fair review of the business

The group's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Turnover	£	8,543,736	8,215,013
Gross Profit	£	2,414,112	1,529,552
Gross Profit Percentage	%	28	19
Profit/(Loss) Before Tax	£	928,659	122,042
Net Current Assets	£	1,134,701	475,775
Net Assets	£	3,183,649	2,435,542

During the year the group has been successful in increasing its turnover by 4%.

Gross profits have also increased from 19% to 28% due to a decrease in raw material costs.

The group's overall balance sheet remains strong.

The directors believe that, despite the currently challenging market conditions, the group remains well placed to take advantage of any opportunities that arise in the year ended 31 March 2021.

Askern Holdings Limited

Strategic Report for the Year Ended 31 March 2020

Principal risks and uncertainties

Most sales are to UK customers and most suppliers are UK based, and accordingly the group has not entered into any hedging arrangements in respect of risks relating to trade debtors or creditors.

10% to 15% of the group's sales are to the EU and some of the group's suppliers are EU based. Accordingly the current uncertainty surrounding BREXIT represents a risk to the group. The directors have considered their exposure to these risks and believe the group is well positioned to respond appropriately to any changes that arise as a result.

The group's business operations have been affected by changes in general economic activity as a result of the global Covid-19 outbreak. Whilst there was a contraction in the company's trade in some areas of the market in April 2020 and May 2020, sales returned to more normal levels in June 2020 and the company continues to trade profitably. However, due to the high level of uncertainty surrounding this ongoing outbreak the directors are currently unable to estimate the ultimate financial impact on the company.

The group has operated throughout the year within its banking and invoice financing arrangements, thereby substantially eliminating liquidity and cash flow risks.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Approved by the Board on 17 February 2021 and signed on its behalf by:

.....
Mr D Murray
Director

Askern Holdings Limited

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors of the group

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

Mr D Murray

Mrs M Murray

Financial instruments

Objectives and policies

The group's principal financial instruments comprise bank balances, invoice financing, trade debtors and trade creditors. The purpose of these instruments is to finance the group's business operations.

Price risk, credit risk, liquidity risk and cash flow risk

The directors do not consider that the group has any significant financial risks other than those normal commercial risks arising from its trading operations. Such risks are managed so as to permit the smooth operation of the business.

Important non adjusting events after the financial period

On 30 January 2020 the World Health Organisation declared the outbreak of Covid-19 as a "Public Health Emergency of International Concern" and countries across the globe have imposed restrictions on the movement of individuals and the operations of certain businesses.

In particular the group's business operations have been affected by changes in general economic activity as a result of the global Covid-19 outbreak. Whilst there was a contraction in the company's trade in some areas of the market in April 2020 and May 2020, sales returned to more normal levels in June 2020 and the group continues to trade profitably. However, due to the high level of uncertainty surrounding this ongoing outbreak the directors are currently unable to estimate the ultimate financial impact on the group.

The directors do not consider that any adjustments are required to the assets and liabilities reported in these financial statements as a result of the coronavirus and its impact on the economic environment in which it operates.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 17 February 2021 and signed on its behalf by:

.....
Mr D Murray
Director

Askern Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Askern Holdings Limited

Independent Auditor's Report to the Members of Askern Holdings Limited

Opinion

We have audited the financial statements of Askern Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated 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 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 group's and the parent company's affairs as at 31 March 2020 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 group 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.

Askern Holdings Limited

Independent Auditor's Report to the Members of Askern Holdings Limited

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 Statement of Directors' Responsibilities [set out on page 5], 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.

Askern Holdings Limited

Independent Auditor's Report to the Members of Askern Holdings Limited

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Askern Holdings Limited

Independent Auditor's Report to the Members of Askern Holdings 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 Shaun Crozier FCCA (Senior Statutory Auditor)
For and on behalf of Crozier Jones, Statutory Auditor
9/13 Thorne Road
Doncaster
South Yorkshire
DN1 2HJ

17 February 2021

Askern Holdings Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	<u>4</u>	8,543,736	8,215,013
Cost of sales		<u>(6,129,624)</u>	<u>(6,685,461)</u>
Gross profit		2,414,112	1,529,552
Administrative expenses		(1,437,884)	(1,349,532)
Other operating income	<u>5</u>	<u>62,656</u>	<u>58,161</u>
Operating profit	<u>7</u>	1,038,884	238,181
Interest payable and similar expenses	<u>8</u>	<u>(110,225)</u>	<u>(116,140)</u>
Profit before tax		928,659	122,041
Tax on profit	<u>12</u>	<u>(180,551)</u>	<u>(27,863)</u>
Profit for the financial year		<u>748,108</u>	<u>94,178</u>
Profit/(loss) attributable to:			
Owners of the company		<u>748,108</u>	<u>94,178</u>

The group has no recognised gains or losses for the year other than the results above.

Askern Holdings Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2020

	2020 £	2019 £
Profit for the year	748,108	94,178
Total comprehensive income for the year	748,108	94,178
Total comprehensive income attributable to:		
Owners of the company	748,108	94,178

Askern Holdings Limited

(Registration number: 06532363)

Consolidated Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>13</u>	3,713,881	3,842,907
Current assets			
Stocks	<u>15</u>	890,141	857,311
Debtors	<u>16</u>	2,543,428	2,703,256
Cash at bank and in hand		114,559	113,952
		<u>3,548,128</u>	<u>3,674,519</u>
Creditors: Amounts falling due within one year	<u>18</u>	<u>(2,413,427)</u>	<u>(3,198,744)</u>
Net current assets		<u>1,134,701</u>	<u>475,775</u>
Total assets less current liabilities		<u>4,848,582</u>	<u>4,318,682</u>
Creditors: Amounts falling due after more than one year	<u>18</u>	<u>(1,560,779)</u>	<u>(1,774,396)</u>
Provisions for liabilities	<u>19</u>	<u>(104,154)</u>	<u>(108,745)</u>
Net assets		<u>3,183,649</u>	<u>2,435,541</u>
Capital and reserves			
Called up share capital	<u>21</u>	100	100
Profit and loss account		<u>3,183,549</u>	<u>2,435,441</u>
Equity attributable to owners of the company		<u>3,183,649</u>	<u>2,435,541</u>
Shareholders' funds		<u>3,183,649</u>	<u>2,435,541</u>

Approved and authorised by the Board on 17 February 2021 and signed on its behalf by:

.....

Mr D Murray
Director

Askern Holdings Limited

(Registration number: 06532363)

Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>13</u>	33,546	58,358
Investments	<u>14</u>	2	2
		<u>33,548</u>	<u>58,360</u>
Current assets			
Debtors	<u>16</u>	130,981	107,958
Cash at bank and in hand		2,226	3,303
		<u>133,207</u>	<u>111,261</u>
Creditors: Amounts falling due within one year	<u>18</u>	<u>(18,400)</u>	<u>(20,190)</u>
Net current assets		<u>114,807</u>	<u>91,071</u>
Net assets		<u>148,355</u>	<u>149,431</u>
Capital and reserves			
Called up share capital	<u>21</u>	100	100
Profit and loss account		<u>148,255</u>	<u>149,331</u>
Shareholders' funds		<u>148,355</u>	<u>149,431</u>

The company made a loss after tax for the financial year of £1,076 (2019 - loss of £7,695).

Approved and authorised by the Board on 17 February 2021 and signed on its behalf by:

.....

Mr D Murray
Director

Askern Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2020 Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 April 2019	100	2,435,441	2,435,541	2,435,541
Profit for the year	-	748,108	748,108	748,108
Total comprehensive income	-	748,108	748,108	748,108
At 31 March 2020	100	3,183,549	3,183,649	3,183,649
	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 April 2018	100	2,341,263	2,341,363	2,341,363
Profit for the year	-	94,178	94,178	94,178
Total comprehensive income	-	94,178	94,178	94,178
At 31 March 2019	100	2,435,441	2,435,541	2,435,541

Askern Holdings Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	100	149,331	149,431
Loss for the year	-	(1,076)	(1,076)
Total comprehensive income	-	(1,076)	(1,076)
At 31 March 2020	100	148,255	148,355

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	100	157,026	157,126
Loss for the year	-	(7,695)	(7,695)
Total comprehensive income	-	(7,695)	(7,695)
At 31 March 2019	100	149,331	149,431

Askern Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		748,108	94,178
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>7</u>	144,754	149,905
Loss/(profit) on disposal of tangible assets	<u>6</u>	7,941	(67,927)
Finance costs	<u>8</u>	110,225	116,140
Income tax expense	<u>12</u>	180,551	27,863
		<u>1,191,579</u>	<u>320,159</u>
Working capital adjustments			
Increase in stocks	<u>15</u>	(32,830)	(8,143)
Decrease in trade debtors	<u>16</u>	141,077	71,574
Decrease in trade creditors	<u>18</u>	(77,176)	(443,819)
Cash generated from operations		<u>1,222,650</u>	<u>(60,229)</u>
Income taxes paid	<u>12</u>	(11,049)	(1,177)
Net cash flow from operating activities		<u>1,211,601</u>	<u>(61,406)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(27,886)	(3,709)
Proceeds from sale of tangible assets		<u>4,217</u>	<u>1,613</u>
Net cash flows from investing activities		<u>(23,669)</u>	<u>(2,096)</u>
Cash flows from financing activities			
Interest paid	<u>8</u>	(110,225)	(116,140)
Repayment of bank borrowing		(169,773)	(167,884)
Proceeds from other borrowing draw downs		-	395,643
Repayment of other borrowing		(899,099)	(41,727)
Payments to finance lease creditors		<u>(8,228)</u>	<u>(8,228)</u>
Net cash flows from financing activities		<u>(1,187,325)</u>	<u>61,664</u>
Net increase/(decrease) in cash and cash equivalents		607	(1,838)
Cash and cash equivalents at 1 April		<u>113,952</u>	<u>115,790</u>
Cash and cash equivalents at 31 March		<u>114,559</u>	<u>113,952</u>

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

28 Lidgate Crescent
Langthwaite Business Park
South Kirkby
Pontefract
WF9 3NR

These financial statements were authorised for issue by the Board on 17 February 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2020.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £1,076 (2019 - loss of £7,695).

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	10% straight line per annum
Motor vehicles	25% straight line per annum
Buildings	2% straight line per annum
Land	Not depreciated
Fixtures and fittings	10% straight line per annum
Office equipment	10% straight line per annum
Other tangible assets	25% straight line per annum

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. The directors use observable market prices, adjusted if necessary for any differences in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Critical judgements

The directors do not consider that there have been any critical judgements made in the process of applying the group's accounting policies.

Key sources of estimation uncertainty

The group has long running unresolved disputes in respect of certain creditors included in the accounts at £142,300 (2019 - £142,300). Included in debtors is an estimated prepayment against these creditors of £74,894 (2019 - £74,894).

Other than this the directors do not consider that there have been any key assumptions concerning the future or other key sources of estimation uncertainty at the balance sheet date which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Sale of goods	8,383,691	8,079,942
Rendering of services	35,350	32,074
Rental income from investment property	124,695	102,997
	<u>8,543,736</u>	<u>8,215,013</u>

The analysis of the group's turnover for the year by market is as follows:

	2020 £	2019 £
UK	7,516,646	7,270,846
Exports	1,027,090	944,167
	<u>8,543,736</u>	<u>8,215,013</u>

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

5 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2020 £	2019 £
Miscellaneous other operating income	62,656	58,161

6 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2020 £	2019 £
Gain (loss) on disposal of property, plant and equipment	(7,941)	67,927

7 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	144,754	149,905
Operating lease expense - plant and machinery	8,680	5,455
Loss/(profit) on disposal of property, plant and equipment	7,941	(67,927)

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and borrowings	75,952	81,580
Interest on obligations under finance leases and hire purchase contracts	724	630
Interest expense on other finance liabilities	(100)	-
Other finance costs	33,649	33,930
	110,225	116,140

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	1,700,013	1,696,099
Social security costs	135,902	140,610
Pension costs, defined contribution scheme	73,952	60,905
Other employee expense	12,298	7,299
	<u>1,922,165</u>	<u>1,904,913</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Production	70	72
Administration and support	10	10
	<u>80</u>	<u>82</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	75,532	73,241
Contributions paid to money purchase schemes	3,761	1,443
	<u>79,293</u>	<u>74,684</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

11 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	<u>12,784</u>	<u>12,976</u>

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	185,181	10,949
UK corporation tax adjustment to prior periods	(39)	-
	<u>185,142</u>	<u>10,949</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(4,591)	16,914
	<u>180,551</u>	<u>27,863</u>
Tax expense in the income statement		

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	928,659	122,041
Corporation tax at standard rate	176,445	23,188
Effect of expense not deductible in determining taxable profit (tax loss)	286	(443)
Effect of tax losses	(3,574)	(4,004)
Decrease in UK and foreign current tax from adjustment for prior periods	(40)	-
Tax increase from effect of capital allowances and depreciation	7,434	9,122
Total tax charge	180,551	27,863

The group has tax losses carried forward of £32,173 (2019 - £50,981).

The company has tax losses carried forward of £32,173 (2019 - £50,981).

These losses have been recognised as a deferred tax asset only to the extent that they could be used to offset deferred tax liabilities.

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2020	
Difference between accumulated depreciation and capital allowances	104,154
Tax losses carried forwards	-
	104,154
2019	
Difference between accumulated depreciation and capital allowances	108,745
Tax losses carried forwards	-
	108,745

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

13 Tangible assets

Group

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	
Cost or valuation						
At 1 April 2019	3,442,375	37,999	1,047,852	48,957	127,938	£
Additions	-	3,964	20,938	2,984	-	
Disposals	-	(24,434)	(81,076)	(7,917)	(13,895)	
At 31 March 2020	3,442,375	17,529	987,714	44,024	114,043	£
Depreciation						
At 1 April 2019	245,785	25,464	459,100	16,125	115,740	
Charge for the year	25,807	4,196	104,251	4,402	6,098	
Eliminated on disposal	-	(21,992)	(71,360)	(7,917)	(13,895)	
At 31 March 2020	271,592	7,668	491,991	12,610	107,943	
Carrying amount						
At 31 March 2020	3,170,783	9,861	495,723	31,414	6,100	£
At 31 March 2019	3,196,590	12,535	588,752	32,832	12,198	£

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Included within the net book value of land and buildings above is £3,170,783 (2019 - £3,196,590) in respect of freehold land and buildings.

Included within the net book value of land and buildings above is £1,455,295 (2019 - £1,455,295) representing property currently held for investment purposes. The directors consider that this represents the fair value of the property at the balance sheet date. No depreciation has been charged on this property.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020	2019
	£	£
Plant and machinery	212,554	242,924
Motor vehicles	6,096	12,198
	<u>218,650</u>	<u>255,122</u>

Restriction on title and pledged as security

Land and buildings with a carrying amount of £3,084,221 (2019 - £3,108,812) has been pledged as security for the group's bank loans.

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Company

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2019	31,366	174,101	7,917	13,895	227,279
Disposals	(24,434)	(18,220)	(7,917)	(13,895)	(64,466)
At 31 March 2020	6,932	155,881	-	-	162,813
Depreciation					
At 1 April 2019	24,261	122,848	7,917	13,895	168,921
Charge for the year	3,137	17,411	-	-	20,548
Eliminated on disposal	(21,992)	(16,398)	(7,917)	(13,895)	(60,202)
At 31 March 2020	5,406	123,861	-	-	129,267
Carrying amount					
At 31 March 2020	1,526	32,020	-	-	33,546
At 31 March 2019	7,105	51,253	-	-	58,358

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

14 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Askern UK Limited*	28 Lidgate Crescent, Langthwaite Business Park, South Kirkby, Pontefract. WF9 3NR England	Ordinary shares	100%	100%
Askern Properties (North) Limited*	28 Lidgate Crescent, Langthwaite Business Park, South Kirkby, Pontefract. WF9 3NR. England	Ordinary shares	100%	100%

* indicates direct investment of the company

Subsidiary undertakings

The principal activity of Askern UK Limited is the design, manufacture and distribution of cable reels and the retail of certain timber products.

The principal activity of Askern Properties (North) Limited is property management.

Both subsidiaries are included in these consolidated financial statements.

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Company

	2020	2019
	£	£
Investments in subsidiaries	2	2

Subsidiaries

Cost or valuation

At 1 April 2019	2
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At 31 March 2020	2
------------------	---

Carrying amount

At 31 March 2020	2
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At 31 March 2019	2
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15 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	610,836	500,736	-	-
Work in progress	116,704	139,694	-	-
Finished goods and goods for resale	162,601	216,881	-	-
	890,141	857,311	-	-

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

16 Debtors

		Group		Company	
	Note	2020 £	2019 £	2020 £	2019 £
Trade debtors		2,172,178	2,340,415	103,504	84,571
Amounts owed by related parties	<u>25</u>	193,226	193,226	27,378	23,288
Other debtors		46,438	22,149	99	99
Prepayments		131,586	128,715	-	-
Income tax asset	<u>12</u>	-	18,751	-	-
		2,543,428	2,703,256	130,981	107,958
Less non-current portion		(28,800)	(86,400)	-	-
		<u>2,514,628</u>	<u>2,616,856</u>	<u>130,981</u>	<u>107,958</u>

Details of non-current trade and other debtors

Group

£28,800 (2019 - £86,400) of trade debtors is classified as non current.

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

17 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash on hand	842	3,114	-	-
Cash at bank	113,717	110,838	2,226	3,303
	<u>114,559</u>	<u>113,952</u>	<u>2,226</u>	<u>3,303</u>

18 Creditors

		Group		Company	
	Note	2020	2019	2020	2019
		£	£	£	£
Due within one year					
Loans and borrowings	<u>22</u>	1,000,940	1,864,423	-	-
Trade creditors		930,122	981,478	8,565	10,071
Amounts due to related parties	<u>25</u>	23,246	23,245	8,500	8,500
Social security and other taxes		166,181	171,181	-	323
Outstanding defined contribution pension costs		10,688	9,181	-	-
Other payables		2,036	3,469	-	-
Accruals		115,100	135,995	1,335	1,296
Income tax liability	<u>12</u>	165,114	9,772	-	-
		<u>2,413,427</u>	<u>3,198,744</u>	<u>18,400</u>	<u>20,190</u>
Due after one year					
Loans and borrowings	<u>22</u>	<u>1,560,779</u>	<u>1,774,396</u>	<u>-</u>	<u>-</u>

19 Deferred tax and other provisions

Group	Deferred tax	Total
	£	£
At 1 April 2019	108,745	108,745
Increase (decrease) in existing provisions	<u>(4,591)</u>	<u>(4,591)</u>
At 31 March 2020	<u>104,154</u>	<u>104,154</u>

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £73,952 (2019 - £60,905). Contributions totalling £10,688 (2019 - £9,181) were payable to the scheme at the end of the year and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution from a winding up of the company.

22 Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	1,455,909	1,626,681	-	-
Hire purchase contracts	-	2,057	-	-
Other borrowings	104,870	145,658	-	-
	<u>1,560,779</u>	<u>1,774,396</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current loans and borrowings				
Bank borrowings	169,959	168,959	-	-
Hire purchase contracts	2,057	8,228	-	-
Other borrowings	828,924	1,687,236	-	-
	<u>1,000,940</u>	<u>1,864,423</u>	<u>-</u>	<u>-</u>

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Group

Bank borrowings

Bank borrowings are denominated in pounds sterling with a nominal interest rate of 3.5% - 4.5%. The carrying amount at year end is £1,625,868 (2019 - £1,795,640).

Bank borrowings are secured by fixed charge over the groups premises, by debenture over all group assets and by inter company composite guarantee with all group companies.

The group's bank borrowings are repayable in monthly or quarterly instalments.

Finance lease liabilities and other borrowings

Factoring creditors are secured over part of Askern UK Limited's trade debtors. Finance lease, hire purchase contracts and similar other borrowings are secured against the asset to which they relate.

Included in the loans and borrowings are the following amounts due after more than five years:

	2020 £	2019 £
After more than five years by instalments	100,116	157,488

23 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	42,844	49,016
Later than one year and not later than five years	104,870	147,715
	<u>147,714</u>	<u>196,731</u>

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	6,288	3,807
Later than one year and not later than five years	7,499	2,538
	<u>13,787</u>	<u>6,345</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £8,680 (2019 - £5,455).

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

24 Contingent liabilities

Group

During the year ended 31 March 2019 the group wrote off a creditor in relation to a connected party of £47,600 as the director believes this amount is not due. This creditor remains under dispute. Accordingly there is a possibility that some liability in respect of this amount may arise in the future.

25 Related party transactions

Group

Key management compensation

	2020	2019
	£	£
Salaries and other short term employee benefits	233,943	230,095

Other transactions with directors

The balance owed to Mr D Murray at the period end in respect of the director's current account was £23,246 (2019 - £23,246). There are no repayment terms and interest is not charged on the balance. The balance is repayable on demand.

Summary of transactions with entities with joint control or significant interest

Included within prepayments is an amount of £74,894 (2019 - £74,984) in respect of provisions against disputed creditor balances. These disputed creditor balances are included in full within the related party balance disclosures below relating to entities which are under the common control of the group's beneficial owners

Income and receivables from related parties

	Entities with joint control or significant influence £
2020	
Amounts receivable from related party	32,766
	Entities with joint control or significant influence £
2019	
Amounts receivable from related party	32,766

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Expenditure with and payables to related parties

	Entities with joint control or significant influence £
2020	
Leases	417
Amounts payable to related party	143,238

	Entities with joint control or significant influence £
2019	
Leases	3,333
Amounts payable to related party	143,238

Loans to related parties

	Entities with joint control or significant influence £
2020	
At start of period	205,626
At end of period	205,626

	Entities with joint control or significant influence £
2019	
At start of period	205,626
At end of period	205,626

Askern Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Loans from related parties

	Entities with joint control or significant influence £
2020	
At start of period	1,000
At end of period	1,000
	Entities with joint control or significant influence £
2019	
At start of period	48,600
Impairment	(47,600)
At end of period	1,000

26 Non adjusting events after the financial period

On 30 January 2020 the World Health Organisation declared the outbreak of Covid-19 as a "Public Health Emergency of International Concern" and countries across the globe have imposed restrictions on the movement of individuals and the operations of certain businesses.

In particular the group's business operations have been affected by changes in general economic activity as a result of the global Covid-19 outbreak. Whilst there was a contraction in the company's trade in some areas of the market in April 2020 and May 2020, sales returned to more normal levels in June 2020 and the group continues to trade profitably. However, due to the high level of uncertainty surrounding this ongoing outbreak the directors are currently unable to estimate the ultimate financial impact on the group.

The directors do not consider that any adjustments are required to the assets and liabilities reported in these financial statements as a result of the coronavirus and its impact on the economic environment in which it operates.

9/13 Thorne Road

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.

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