

Registered number: 00894840

Collingwood Batchellor Limited

Annual report and financial statements

For the period ended 27 January 2019



Collingwood Batchellor Limited

Company Information

Directors

Mr G C J Collingwood
Mr T A J Collingwood
Mr A J Denny
Mr R Neve
Mrs Z Morley (appointed 1 February 2019)

Company secretary

Mr T A J Collingwood

Registered number

00894840

Registered office

46 Victoria Road
Horley
Surrey
RH6 7QE

Independent auditor

Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
Faraday Court
Manor Royal Estate
Crawley
West Sussex
RH10 9PU

Collingwood Batchellor Limited

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Collingwood Batchellor Limited

Directors' report

For the period ended 27 January 2019

The Directors present their report and the financial statements for the period ended 27 January 2019.

Principal activity

The Company's principal activity is the operation of home and furniture retail department stores.

Directors

The Directors who served during the period were:

Mr G C J Collingwood
Mr T A J Collingwood
Mr A J Denny
Mr R Neve

Results and dividends

The profit for the period, after taxation, amounted to £722,270 (2018 - £774,390).

Dividends totalling £370,101 (2018 - £300,339) were paid during the period.

Post balance sheet events

There have been no significant events affecting the Company since the period end.

Future developments

The directors are continuing to seek ways to maintain turnover and steady profit margins in the present economic climate. They also remain proactive in looking for opportunities for the Company to diversify.

As a result, the Company has converted part of its Crawley warehouse into a self-storage facility. This was completed in the summer of 2019.

Financial instruments

The Company's principal financial instruments comprise bank balances, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds to finance the Company's operations. The main risks arising from the financial instruments are credit risk, liquidity risk, and interest rate risk.

Due to the nature of the financial instruments used by the Company, there is no exposure to price risk. The Company's approach to managing other risks applicable to the financial instruments concerned is set out below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of the Company's bank balances.

In respect of loans, these comprise loans from financial institutions. The interest rate on loans from financial institutions is variable, but the monthly repayments are fixed. The Company manages the liquidity risk by ensuring that there are sufficient funds to meet the repayments.

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 in terms of both time and credit limits.

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

Directors' report (continued)
For the period ended 27 January 2019

Directors' responsibilities statement

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

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

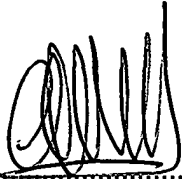
Collingwood Batchellor Limited

**Directors' report (continued)
For the period ended 27 January 2019**

Auditor

The auditor, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, consisting of a series of loops and a long vertical stroke at the end, positioned above a dotted line.

Mr G C J Collingwood
Director

Date: 17/10/19

**Strategic report
For the period ended 27 January 2019**

Introduction

The Directors have pleasure in presenting the strategic report, which can be read in conjunction with the Directors' report.

Business review

The Company has continued to perform well, evidenced by the increase in turnover of 2.3% compared to the previous period, despite continuing economic uncertainties surrounding "Brexit". The Company's gross profit margin has also held up at approximately 48%.

Whilst the Directors are pleased with the results for the period, they are continuing to seek new opportunities for growth and expansion, and ways to control and reduce costs. The completion of the refurbishment of the Crawley Warehouse in Summer 2018 will be instrumental to this going forward. The Warehouse now houses the majority of the Company's stock, and the Company's latest project has been to transform the remainder of the Warehouse space into a self-storage facility (housing up to 200 storage "rooms"). The new self-storage facility has been fully operational since August 2019.

Improvement to the Company's retail stores include the present extensive refurbishment to the Worthing Store, with the Directors also looking to further develop the East Grinstead branch.

Whilst the profit before tax is lower compared to the previous period, mainly due to costs incurred in the Warehouse refurbishment, this investment should reap future monetary benefits.

Principal risks and uncertainties

The principal risks and uncertainties facing the business are set out below.

1) Profitability may fluctuate

The Company's results may vary significantly as the result of many of factors, many of which are outside our control. Factors which may affect our results include the following:

- the ability of the Company to retain existing customers and to attract new ones
- the amount and timing of expenditure required for the maintenance and expansion of the business
- competitor pricing position that can affect the Company's business in terms of costs.

The Company closely reviews consumer demands alongside market and industry trends, with advertising comprising a large proportion of its overhead expenses.

The Company also looks to ensure that it has adequate levels of finance in place to support its operations and projects, whilst monitoring cashflow levels constantly.

2) Products

The quality of our products is of the utmost importance and there is an associated risk if they are below standard. The Company has strict product controls in place and liaises closely with suppliers to counteract any quality issues.

3) Consumer demand

General economic factors and trends in the market place could potentially affect consumer demand for products. The Company is focused on expansion and establishing new revenue streams through both new products and customer bases. This approach has continued to be successful in the current trading period.

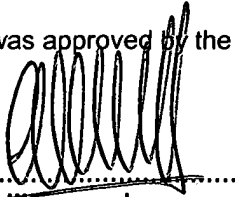
Collingwood Batchellor Limited

Strategic report (continued)
For the period ended 27 January 2019

Financial key performance indicators

The key performance indicator for the Company is turnover, which is monitored by the directors on a monthly basis. Turnover has increased by more than 2% to £11,298,284 in 2019 from £11,046,289 in 2018.

This report was approved by the board and signed on its behalf.



.....
Mr G C J Collingwood
Director

Date: 17/10/17

Independent auditor's report to the shareholders of Collingwood Batchellor Limited

Opinion

We have audited the financial statements of Collingwood Batchellor Limited (the 'Company') for the period ended 27 January 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 27 January 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information 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.

Independent auditor's report to the shareholders of Collingwood Batchellor Limited (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the shareholders of Collingwood Batchellor Limited (continued)

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.

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 of the effectiveness of the Company'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 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 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.

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.

Collingwood Batchellor Limited

Independent auditor's report to the shareholders of Collingwood Batchellor Limited (continued)

Use of our report

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



James Peach FCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Gatwick

Date: 30/10/19

Collingwood Batchellor Limited

**Statement of comprehensive income
For the period ended 27 January 2019**

	Note	2019 £	2018 £
Turnover		11,298,284	11,046,289
Cost of sales		(5,897,554)	(5,754,450)
Gross profit		5,400,730	5,291,839
Administrative expenses		(4,576,946)	(4,333,880)
Other operating income		200,000	137,093
Operating profit		1,023,784	1,095,052
Interest receivable and similar income		3,476	314
Interest payable and expenses		(101,605)	(100,288)
Profit before taxation		925,655	995,078
Tax on profit		(203,385)	(220,688)
Profit for the financial period		722,270	774,390

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 14 to 29 form part of these financial statements.

Collingwood Batchellor Limited
Registered number: 00894840

Balance sheet
As at 27 January 2019

	Note	27 January 2019 £	28 January 2018 £
Fixed assets			
Intangible assets	14	11,673	12,698
Tangible assets	15	8,657,004	8,701,359
Investments	16	241,930	241,930
		<u>8,910,607</u>	<u>8,955,987</u>
Current assets			
Stocks	17	1,389,443	1,379,872
Debtors: amounts falling due within one year	18	455,219	456,094
Cash at bank and in hand		1,272,664	1,243,986
		<u>3,117,326</u>	<u>3,079,952</u>
Creditors: amounts falling due within one year	19	(2,787,366)	(2,972,343)
Net current assets		<u>329,960</u>	<u>107,609</u>
Total assets less current liabilities		<u>9,240,567</u>	<u>9,063,596</u>
Creditors: amounts falling due after more than one year	20	(3,485,742)	(3,670,440)
Provisions for liabilities			
Deferred tax	23	(139,800)	(130,300)
Net assets		<u><u>5,615,025</u></u>	<u><u>5,262,856</u></u>
Capital and reserves			
Called up share capital	24	15,100	15,100
Capital redemption reserve	25	4,900	4,900
Profit and loss account	25	5,595,025	5,242,856
		<u><u>5,615,025</u></u>	<u><u>5,262,856</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr T A J Collingwood
 Director

Date: 17/10/19

The notes on pages 14 to 29 form part of these financial statements.

Collingwood Batchellor Limited

**Statement of changes in equity
For the period ended 27 January 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 29 January 2018	15,100	4,900	5,242,856	5,262,856
Profit for the period	-	-	722,270	722,270
Dividends: Equity capital	-	-	(370,101)	(370,101)
At 27 January 2019	15,100	4,900	5,595,025	5,615,025

The notes on pages 14 to 29 form part of these financial statements.

**Statement of changes in equity
For the period ended 28 January 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 30 January 2017	15,100	4,900	4,768,805	4,788,805
Profit for the period	-	-	774,390	774,390
Dividends: Equity capital	-	-	(300,339)	(300,339)
At 28 January 2018	15,100	4,900	5,242,856	5,262,856

The notes on pages 14 to 29 form part of these financial statements.

Collingwood Batchellor Limited

**Statement of cash flows
For the period ended 27 January 2019**

	27 January 2019 £	28 January 2018 £
Cash flows from operating activities		
Profit for the financial period	722,270	774,390
Adjustments for:		
Amortisation of intangible assets	7,926	6,676
Depreciation of tangible assets	291,618	301,115
Loss on disposal of tangible assets	1,859	(566)
Interest paid	101,605	100,288
Interest received	(3,476)	(314)
Taxation charge	203,385	220,688
(Increase)/decrease in stocks	(9,571)	16,320
(Increase)/decrease in debtors	(754)	20,323
(Decrease)/increase in creditors	(218,442)	454,910
Corporation tax (paid)	(181,922)	(174,320)
Net cash generated from operating activities	<u>914,498</u>	<u>1,719,510</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(6,901)	(1,400)
Purchase of tangible fixed assets	(253,222)	(1,103,154)
Sale of tangible fixed assets	4,100	2,000
Interest received	3,476	314
HP interest paid	(4,144)	(3,390)
Net cash from investing activities	<u>(256,691)</u>	<u>(1,105,630)</u>
Cash flows from financing activities		
New secured loans	130,000	300,000
Repayment of loans	(316,726)	(297,120)
Repayment of/new finance leases	25,159	(32,803)
Dividends paid	(370,101)	(300,339)
Interest paid	(97,461)	(96,898)
Net cash used in financing activities	<u>(629,129)</u>	<u>(427,160)</u>
Net increase in cash and cash equivalents	<u>28,678</u>	<u>186,720</u>
Cash and cash equivalents at beginning of period	<u>1,243,986</u>	<u>1,057,266</u>
Cash and cash equivalents at the end of period	<u><u>1,272,664</u></u>	<u><u>1,243,986</u></u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	<u>1,272,664</u>	<u>1,243,986</u>
	<u><u>1,272,664</u></u>	<u><u>1,243,986</u></u>

Collingwood Batchellor Limited

Notes to the financial statements For the period ended 27 January 2019

1. General information

Collingwood Batchellor Limited is a private company limited by shares, incorporated in England with the registration number 00894840. The address of the registered office is 46 Victoria Road, Horley, Surrey RH6 7QE.

The Company's principal activity is the operation of home, furniture and retail department stores.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is the parent undertaking of a medium group but the subsidiary undertakings are dormant, and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Shop Sales

Turnover comprising shop sales of goods is recognised when the goods are sold to the customer, and is stated net of value-added tax and trade discounts.

Goods ordered for future delivery

Turnover comprising sales ordered in-store or online is recognised when the goods are delivered to the customer, and is stated net of value-added tax and trade discounts.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	straight line over 4 years
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Amortisation of computer software is included within Administration expenses in the Statement of comprehensive income.

**Notes to the financial statements
For the period ended 27 January 2019**

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- straight line over 50 years
Short term leasehold properties	- straight line over the life of the lease
Plant, machinery, motor vehicles, fixtures & fittings	- straight line over 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.7 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over their useful lives (as stated in **Note 2.4 "Tangible Fixed Assets"**). Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.9 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the

**Notes to the financial statements
For the period ended 27 January 2019**

2. Accounting policies (continued)

2.9 Financial instruments (continued)

contractual provisions of the financial instrument.

Cash and cash equivalents

These comprise cash at bank and other short-term highly liquid bank deposits with an original maturity of three months or less.

Debtors

Debtors do not carry any interest and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Profit and loss account when there is objective evidence that the asset is impaired.

Creditors

Short term creditors are not interest-bearing and are measured at their transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Notes to the financial statements
For the period ended 27 January 2019**

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the period. The nature of estimation is such that actual outcomes could differ significantly from those estimates.

The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements:

Freehold property

Included within tangible fixed assets is freehold property with a carrying value of £8,465,984 (2018 - £8,529,878) at the reporting date (see Note 15).

The value of land included within freehold property was determined by the directors' judgement at the date of purchase.

The residual values of buildings and their useful economic lives have been determined by the directors' judgement.

Where there are indicators that the carrying value of freehold property may be impaired, the Company undertakes tests to determine the recoverable amount of the property. These tests require estimates of the fair value of the property less costs to sell, and of its value in use. Wherever possible, the estimate of the fair value is based upon observable market prices.

4. Turnover

All turnover arose within the United Kingdom.

Collingwood Batchellor Limited

**Notes to the financial statements
For the period ended 27 January 2019**

5. Other operating income

	2019	2018
	£	£
Other operating income	200,000	-
Net rents receivable	-	137,093
	<u>200,000</u>	<u>137,093</u>

6. Operating profit

The operating profit is stated after charging:

	2019	2018
	£	£
Other operating lease rentals	<u>192,839</u>	<u>279,288</u>

7. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>28,560</u>	<u>28,000</u>

Collingwood Batchellor Limited

Notes to the financial statements For the period ended 27 January 2019

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	2,136,897	2,041,121
Social security costs	161,397	150,034
Cost of defined contribution scheme	40,211	33,321
	<u>2,338,505</u>	<u>2,224,476</u>

The average monthly number of employees, including the Directors, during the period was as follows:

	2019 No.	2018 No.
Sales assistants	122	106
Administrative staff	14	14
	<u>136</u>	<u>120</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	148,932	143,532
Company contributions to defined contribution pension schemes	16,757	19,263
	<u>165,689</u>	<u>162,795</u>

During the period retirement benefits were accruing to 3 Directors (2018 - 3) in respect of defined contribution pension schemes.

10. Interest receivable

	2019 £	2018 £
Bank interest receivable	<u>3,476</u>	<u>314</u>

Collingwood Batchellor Limited

Notes to the financial statements For the period ended 27 January 2019

11. Interest payable and similar expenses

	2019 £	2018 £
Bank loan interest payable	97,461	96,898
Finance leases and hire purchase contracts	4,144	3,390
	<u>101,605</u>	<u>100,288</u>

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the period	193,885	183,552
Adjustments in respect of previous periods	-	(664)
Total current tax	<u>193,885</u>	<u>182,888</u>
Deferred tax		
Origination and reversal of timing differences	9,500	37,800
Taxation on profit on ordinary activities	<u>203,385</u>	<u>220,688</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>925,655</u>	<u>995,078</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	175,874	189,064
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25,458	33,612
Other differences leading to an increase (decrease) in the tax charge	2,053	(1,324)
Adjustments to tax charge in respect of prior periods	-	(664)
Total tax charge for the period	<u>203,385</u>	<u>220,688</u>

Collingwood Batchellor Limited

**Notes to the financial statements
For the period ended 27 January 2019**

13. Dividends

	27 January 2019 £	28 January 2018 £
Dividends paid	370,101	300,339

On 8 February 2019 the Directors declared a final dividend of £89,996 for the period ended 27 January 2019.

14. Intangible assets

	Computer software £
Cost	
At 29 January 2018	87,037
Additions	6,901
At 27 January 2019	93,938
Amortisation	
At 29 January 2018	74,339
Charge for the period	7,927
At 27 January 2019	82,266
Net book value	
At 27 January 2019	11,672
At 28 January 2018	12,698

Notes to the financial statements
For the period ended 27 January 2019

15. Tangible fixed assets

	Freehold property £	Short term leasehold property £	Plant, machinery, motor vehicles, fixtures and fittings £	Total £
Cost or valuation				
At 29 January 2018	9,718,855	166,336	1,274,451	11,159,642
Additions	123,883	-	129,339	253,222
Disposals	-	-	(492,325)	(492,325)
At 27 January 2019	<u>9,842,738</u>	<u>166,336</u>	<u>911,465</u>	<u>10,920,539</u>
Depreciation				
At 29 January 2018	1,188,977	166,336	1,102,970	2,458,283
Charge for the period	187,777	-	103,841	291,618
Disposals	-	-	(486,366)	(486,366)
At 27 January 2019	<u>1,376,754</u>	<u>166,336</u>	<u>720,445</u>	<u>2,263,535</u>
Net book value				
At 27 January 2019	<u>8,465,984</u>	<u>-</u>	<u>191,020</u>	<u>8,657,004</u>
At 28 January 2018	<u>8,529,878</u>	<u>-</u>	<u>171,481</u>	<u>8,701,359</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	27 January 2019 £	28 January 2018 £
Motor vehicles	50,142	57,961
Fixtures and fittings	27,855	-
	<u>77,997</u>	<u>57,961</u>

Collingwood Batchellor Limited

Notes to the financial statements For the period ended 27 January 2019

16. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 29 January 2018	314,814
At 27 January 2019	314,814
Impairment	
At 29 January 2018	72,884
At 27 January 2019	72,884
Net book value	
At 27 January 2019	241,930
At 28 January 2018	241,930

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
H G Scadgell Limited	Dormant	Ordinary £1	100%
Collingwood Batchellor (Horsham) Limited	Dormant	Ordinary £1	100%

Both HG Scadgell Limited and Collingwood Batchellor (Horsham) Limited are incorporated in England and Wales and are registered at 46 Victoria Road, Horley, Surrey, RH6 7QE.

Collingwood Batchellor (Horsham) Limited was dissolved on 21 May 2019.

The aggregate of the share capital and reserves as at 27 January 2019 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves 27 January 2019 £	Profit/(Loss) £
H G Scadgell Limited	217,181	-
Collingwood Batchellor (Horsham) Limited	24,749	-

Collingwood Batchellor Limited

Notes to the financial statements For the period ended 27 January 2019

17. Stocks

	27 January 2019 £	28 January 2018 £
Finished goods and goods for resale	<u>1,389,443</u>	<u>1,379,872</u>

Stock recognised in cost of sales during the period as an expense was £5,897,554 (2018 - £5,754,450) .

An impairment loss of £73,684 (2018 - £73,111) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

18. Debtors

	27 January 2019 £	28 January 2018 £
Trade debtors	186,076	175,797
Other debtors	124,884	137,937
Prepayments and accrued income	<u>144,259</u>	<u>142,360</u>
	<u>455,219</u>	<u>456,094</u>

19. Creditors: Amounts falling due within one year

	27 January 2019 £	28 January 2018 £
Bank loans	317,232	299,362
Trade creditors	699,281	673,779
Amounts owed to group undertakings	241,930	241,930
Corporation tax	193,885	183,552
Other taxation and social security	289,051	274,609
Obligations under finance lease and hire purchase contracts	36,827	31,565
Other creditors	1,040	-
Accruals and deferred income	<u>1,008,120</u>	<u>1,267,546</u>
	<u>2,787,366</u>	<u>2,972,343</u>

Collingwood Batchellor Limited

Notes to the financial statements For the period ended 27 January 2019

20. Creditors: Amounts falling due after more than one year

	27 January 2019 £	28 January 2018 £
Bank loans	3,435,188	3,639,784
Obligations under hire purchase contracts	50,554	30,656
	<u>3,485,742</u>	<u>3,670,440</u>

21. Loans

Analysis of the maturity of bank loans is given below:

	27 January 2019 £	28 January 2018 £
Amounts falling due within one year	317,232	299,362
Amounts falling due 1-2 years	325,419	299,362
Amounts falling due 2-5 years	943,515	892,087
Amounts falling due after more than 5 years	2,166,254	2,448,335
	<u>3,752,420</u>	<u>3,939,146</u>

**Notes to the financial statements
For the period ended 27 January 2019**

21. (continued)

Secured loans

The Company has five secured loans with Barclays Plc.

The first loan of £1,062,492 (2018 - £1,143,188) incurs interest at a rate of 1% above the Bank of England base rate. The repayments commenced 25 months after the first drawdown, in April 2009. The loan will finally be repaid via 276 monthly instalments by March 2034. The loan is secured by a fixed charge over the Company's freehold property.

A second loan of £800,000 was advanced in 2011. At the period end £430,745 (2018 - £483,736) was outstanding. This loan incurs an interest rate of 2.25% over the Bank of England base rate. The repayments commenced 1 month after the first drawdown, in July 2011 and this loan is repayable via 180 monthly instalments by June 2026. This bank loan is secured by a fixed charge over the freehold properties at Worthing, West Sussex.

A third loan of £2,200,000 was advanced in October 2016. At the period end £1,882,222 (2018 - £2,028,889) was outstanding. This loan incurs an interest rate of 2.25% over the Bank of England base rate. The repayments commenced 1 month after the first drawdown, in November 2016. This loan is repayable via 59 monthly instalments by September 2021 along with a final lump sum repayment in September 2021. This bank loan is secured by a fixed charge over the Company's freehold property at Crawley, West Sussex.

A fourth loan of £300,000 was advanced in March 2017. At the period end £263,333 (2018 - £283,333) was outstanding. This loan incurs an interest rate of 2.25% over the Bank of England base rate. The repayments commenced 1 month after the first drawdown, in April 2017. This loan is repayable via 59 monthly instalments by February 2022 along with a final lump sum repayment in February 2022. This bank loan is secured by a fixed charge over the Company's freehold property at Crawley, West Sussex.

A fifth loan of £130,000 was advanced in April 2018. At the period end £113,629 was outstanding. This loan incurs an interest rate of 2.25% over the Bank of England base rate. The repayments commenced 1 month after the first drawdown, in April 2018. This loan is repayable via 60 monthly instalments by March 2023. This bank loan is secured by a fixed charge over the Company's freehold property.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	27 January 2019 £	28 January 2018 £
Within one year	36,827	31,565
Between 1-5 years	50,554	30,656
	87,381	62,221

The assets held under finance leases or hire purchase contracts have been capitalised within Tangible fixed assets and are disclosed in Note 15.

Collingwood Batchellor Limited

Notes to the financial statements For the period ended 27 January 2019

23. Deferred taxation

	2019 £
At beginning of year	(130,300)
Charged to the profit or loss	(9,500)
At end of year	(139,800)

The provision for deferred taxation is made up as follows:

	27 January 2019 £	28 January 2018 £
Accelerated capital allowances	(139,800)	(130,300)
	(139,800)	(130,300)

24. Share capital

	27 January 2019 £	28 January 2018 £
Allotted, called up and fully paid		
15,100 Ordinary shares shares of £1.00 each	15,100	15,100

25. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the Company. This reserve is not distributable.

Profit and loss account

The profit and loss account comprises all current and prior period retained profits and losses after deducting any distributions made to the Company's shareholders.

The profit and loss account includes non-distributable profit and loss reserves of £265,645 (2018 - £271,970) which relate to the revaluation of the freehold property now included at deemed cost. Thus, the distributable reserves at the period end were £5,329,380 (2018 - £4,970,886).

Notes to the financial statements
For the period ended 27 January 2019

26. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £40,211 (2018 - £33,321). Total contributions payable at the period end were £Nil (2018 - £Nil).

27. Commitments under operating leases

At 27 January 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	27 January 2019 £	28 January 2018 £
Land and buildings		
Not later than 1 year	116,202	79,781
Later than 1 year and not later than 5 years	325,750	2,500
	<u>441,952</u>	<u>82,281</u>
	27 January 2019 £	28 January 2018 £
Other operating leases		
Not later than 1 year	9,236	10,078
Later than 1 year and not later than 5 years	1,139	2,400
	<u>10,375</u>	<u>12,478</u>

28. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 102 section 33.1A from disclosing transactions and balances with wholly-owned subsidiaries of Collingwood Batchellor Limited.

During the period, Mr T Collingwood, Company director, purchased goods from the Company for £1,421 (2018 - £2,075), including VAT. At the period end, £Nil (2018 - £394) was still outstanding in respect of payment for these goods.

During the prior period (ending 28 January 2018), Mr G Collingwood, Company director, purchased goods from the Company to the value of £323, including VAT. There were no such transactions recorded for 2019.

During the period, Mr R Neve, Company director, purchased goods from the Company for £120 (2018 - £Nil), including VAT. At the period end, £Nil (2018 - £Nil) was still outstanding in respect of payment for these goods.

During the period, Mr T Collingwood and Mr G Collingwood, directors of the Company, received dividends amounting to £185,051 each (2018 - £150,170 each). At the period end, a balance of £38 (2018 - £38) was due to each of these directors, by the Company.

Collingwood Batchellor Limited

**Notes to the financial statements
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29. Controlling party

The controlling parties are Mr T Collingwood and Mr G Collingwood by virtue of their shareholdings.