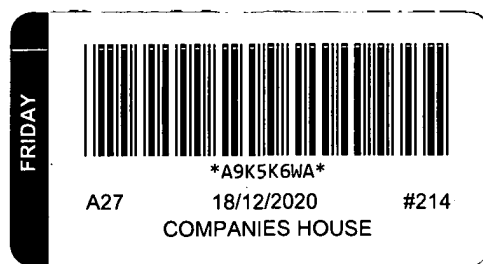

COMMERCIAL BODY FITTINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020



COMMERCIAL BODY FITTINGS LIMITED

COMPANY INFORMATION

Directors	G M Negri L Traversi M Negri
Registered number	01849475
Registered office	80 Bridge Road East Welwyn Garden City Hertfordshire AL7 1JY
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
Bankers	HSBC Bank plc Howardsgate Welwyn Garden City Hertfordshire AL8 6BH

COMMERCIAL BODY FITTINGS LIMITED

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COMMERCIAL BODY FITTINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2020

BUSINESS REVIEW

The Company has seen sales decrease by 10.9% to £17,104k (2019: increase by 4.6% to £19,188k). The Company closed for the whole month of April 2020 due to the Covid-19 lockdown. Prior to this, it was anticipated that sales would have fallen short of 2019 by £500k.

Gross profit margins have remained constant once again at 42%. This is due to management closely monitoring gross profit margins.

Administration costs have remained relatively constant with only a small increase during the year.

We continue to have a stable and committed workforce who we encourage to share ideas for improving customer service and business processes.

PRINCIPAL RISKS AND UNCERTAINTIES

Liquidity risk

The Company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Company has sufficient liquid resources to meet the operating needs of its business.

Foreign currency risk

The Company's principal foreign currency exposures arise from overseas purchases of goods. The Company has not hedged against these transactions. However, the Company keeps movements on exchange rates under close review and will use hedges when deemed necessary.

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfill credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Covid-19

The Directors decided that in line with the national lockdown the whole Company would close for the month of April 2020. The Company reopened for business on 1 May 2020. The Company has taken advantage of the government furlough scheme. Considering the loss of a months trading, the Directors are pleased with the financial results for the year.

Brexit

The Directors continue to monitor the effect that Brexit may have on the business due to uncertainties as to the outcome of the Brexit negotiations. Appropriate action has been taken to safeguard supplies from EU suppliers as far as possible.

COMMERCIAL BODY FITTINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

KEY PERFORMANCE INDICATORS

In summary the key financial performance indicators that we use to monitor business performance and annual results are as follows: decrease in sales of 10.9% (2019: increase of 4.6%); increase in gross profit margin of 0.6% (2019: increase of 1.4%); stock to cost of sales ratio of 43.1% (2019: 35.2%) and a decrease in trade debtors to sales ratio of 1.6% (2019: decrease of 4.7%).

The Company has a strong balance sheet with net assets standing at £17,779k (2019: £16,722k) as at 30 April 2020.

Debtors are closely monitored and the Company has not experienced any significant bad debts, despite the current environment. Stock has increased to £4,266k (2019: £3,945k). Cash generated from operating activities was £646k (2019: £992k).

We believe that the profit for the financial year of £1,057k (2019: £1,492k) is a good performance in the current economic climate.

FUTURE DEVELOPMENTS

The Company will continue to develop and extend the product range in accordance with market demand. We have over the past years been very innovative in the development and introduction of new products and we will continue to do so.

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

Mark Negri

Mark Negri (Oct 20, 2020 20:57 GMT+1)

M Negri
Director

Date: 20-Oct-2020

COMMERCIAL BODY FITTINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2020

The Directors present their report and the financial statements for the year ended 30 April 2020.

Directors

The Directors who served during the year were:

G M Negri
L Traversi
M Negri

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

Principal activity

The principal activity of the Company continues to be the trade of commercial motor vehicle parts and accessories.

Results and dividends

The profit for the year, after taxation, amounted to £1,057k (2019 - £1,492k).

Total comprehensive income for the year is £1,444k (2019 - £2,223k).

The Directors do not propose the payment of a dividend (2019 - £NIL).

COMMERCIAL BODY FITTINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

Financial instruments

The Company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The Company's principal financial instruments are financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report. These matters relate to the business review, principal risks and uncertainties, key performance indicators and future developments of the company.

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.

Going concern

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

For further information regarding the directors' assessment of the going concern status of the Company, refer to the accounting policies note on page 12.

Auditor

The auditor, Mazars 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.

Mark Negri

Mark Negri (Oct 20, 2020 20:57 GMT+1)

M Negri
Director

Date: 20-Oct-2020

COMMERCIAL BODY FITTINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL BODY FITTINGS LIMITED

Opinion

We have audited the financial statements of Commercial Body Fittings Limited (the 'Company') for the year ended 30 April 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

COMMERCIAL BODY FITTINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL BODY FITTINGS LIMITED

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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.

COMMERCIAL BODY FITTINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL BODY FITTINGS LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit 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.



Stephen Brown (Oct 23, 2020 10:13 GMT+1)

Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 23-Oct-2020

COMMERCIAL BODY FITTINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2020**

	Note	2020 £000	2019 £000
Turnover	4	17,058	19,188
Cost of sales		(9,891)	(11,196)
Gross profit		<u>7,167</u>	<u>7,992</u>
Distribution costs		(1,676)	(1,573)
Administrative expenses		(4,160)	(4,566)
Operating profit	5	1,331	1,853
Tax on profit	10	(274)	(361)
Profit for the financial year		<u>1,057</u>	<u>1,492</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Unrealised surplus on revaluation of tangible fixed assets		-	778
Deferred tax on revaluation of tangible fixed assets		-	(47)
		-	731
Total comprehensive income for the year		<u>1,057</u>	<u>2,223</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 12 to 27 form part of these financial statements.

COMMERCIAL BODY FITTINGS LIMITED
REGISTERED NUMBER: 01849475

BALANCE SHEET
AS AT 30 APRIL 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	11	8,244	8,184
		<u>8,244</u>	<u>8,184</u>
Current assets			
Stocks	12	4,266	3,945
Debtors: amounts falling due within one year	13	2,742	3,184
Cash and cash equivalents	14	3,985	3,663
		<u>10,993</u>	<u>10,792</u>
Creditors: amounts falling due within one year	15	(1,285)	(2,116)
Net current assets		<u>9,708</u>	<u>8,676</u>
Total assets less current liabilities		<u>17,952</u>	<u>16,860</u>
Provisions for liabilities			
Deferred taxation		(173)	(138)
		<u>(173)</u>	<u>(138)</u>
Net assets		<u><u>17,779</u></u>	<u><u>16,722</u></u>
Capital and reserves			
Called up share capital	18	39	39
Revaluation reserve	19	1,826	1,826
Profit and loss account	19	15,914	14,857
		<u>17,779</u>	<u>16,722</u>

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

Mark Negri
Mark Negri (Oct 20, 2020 20:57 GMT+1)

M Negri
Director

Date: 20-Oct-2020

Louisa Traversi
Louisa Traversi (Oct 21, 2020 17:56 GMT+1)

L Traversi
Director

Date: 21-Oct-2020

The notes on pages 12 to 27 form part of these financial statements.

COMMERCIAL BODY FITTINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 May 2019	39	1,826	14,857	16,722
Comprehensive income for the year				
Profit for the year	-	-	1,057	1,057
Total comprehensive income for the year	-	-	1,057	1,057
At 30 April 2020	39	1,826	15,914	17,779

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 May 2018	39	1,095	13,365	14,499
Comprehensive income for the year				
Profit for the year	-	-	1,492	1,492
Surplus on revaluation of freehold property	-	778	-	778
Deferred tax on revaluation of tangible fixed assets	-	(47)	-	(47)
Total comprehensive income for the year	-	731	1,492	2,223
At 30 April 2019	39	1,826	14,857	16,722

The notes on pages 12 to 27 form part of these financial statements.

COMMERCIAL BODY FITTINGS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2020**

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	1,057	1,492
Adjustments for:		
Depreciation of tangible assets	256	257
Loss on disposal of tangible assets	4	18
Taxation charge	274	361
(Increase) in stocks	(321)	(975)
Decrease/(increase) in debtors	445	(63)
(Decrease)/increase in creditors	(758)	272
Corporation tax (paid)	(311)	(370)
Net cash generated from operating activities	646	992
Cash flows from investing activities		
Purchase of tangible fixed assets	(360)	(2,120)
Sale of tangible fixed assets	36	97
Net cash from investing activities	(324)	(2,023)
Net increase/(decrease) in cash and cash equivalents	322	(1,031)
Cash and cash equivalents at beginning of year	3,663	4,694
Cash and cash equivalents at the end of year	3,985	3,663
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,985	3,663
	3,985	3,663

The notes on pages 12 to 27 form part of these financial statements.

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

1. General information

Commercial Body Fittings Limited (the "Company") is a private company limited by shares, registered and incorporated in England and Wales. The address of its registered office and principal place of business is 80 Bridge Road East, Welwyn Garden City, AL7 1JY. The Company's registered number is 01849475.

The principal activity of the Company continues to be the trade of commercial motor vehicle parts and accessories.

The financial statements have been presented in Pound Sterling (£), this being the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Monetary amounts included within these financial statements are rounded to the nearest whole thousand £.

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 following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Land and buildings freehold	- Nil
Land and buildings freehold improvements	- 10% straight line basis
Motor vehicles	- 25% reducing balance and 33% straight line basis
Fixtures & fittings	- 20%, 25% and 33% straight line basis

The company policy is to charge a full year of depreciation in the year of acquisition and none in the year of disposal.

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.5 Revaluation of tangible fixed assets

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Operating leases: the Company as lessee

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

2.7 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.

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.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the 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.

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 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.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Current and deferred taxation

The tax expense for the year 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.

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

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

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Property valuation and impairment

Impairment is provided by reference to the condition of the assets and estimated value which is assessed via external professional valuations. Please refer to note 11.

Depreciation

Depreciation is provided by reference to the age and condition of the assets concerned and estimated future use.

Stock

Stock provision is computed by reference to the age of the stock and recent sales patterns.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £000	2019 £000
Sale of goods	17,058	19,188

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	16,590	18,424
Rest of Europe	387	452
Rest of the World	81	312
	17,058	19,188

5. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	253	257
Exchange differences	9	4
Loss on sale of tangible assets	4	18
Defined contribution pension cost	81	73
Operating lease payments - plant and machinery	62	36

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

6. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>26</u>	<u>25</u>
Fees payable to the Company's auditor in respect of non-audit services	<u>8</u>	<u>13</u>

7. Employees

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	2,000	2,036
Social security costs	208	223
Cost of defined contribution scheme	<u>81</u>	<u>73</u>
	<u>2,289</u>	<u>2,332</u>

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

	2020 No.	2019 No.
Administration	21	21
Sales and distribution	<u>46</u>	<u>44</u>
	<u>67</u>	<u>65</u>

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

8. Directors' remuneration

The highest paid Director received remuneration of £NIL (2019 - £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2019 - £NIL).

The number of directors to whom benefits were accrued under money purchase pension schemes was £NIL (2019 - £NIL).

The Directors are the only persons deemed to be Key Management Personnel.

9. Transactions with directors

Mr M Negri's, Mr G Negri's and Mrs L Traversi's Directors' current accounts were overdrawn briefly in the previous period (current year not overdrawn). No interest is charged on the Directors' current accounts. The maximum amount overdrawn in the period was £NIL (2019: £5k) and the balance owing at 30 April 2020 was £NIL (2019: £1k).

10. Taxation

	2020	2019
	£000	£000
Corporation tax		
Current tax on profits for the year	243	280
Adjustments in respect of previous periods	(4)	-
Total current tax	<u>239</u>	<u>280</u>
Deferred tax		
Origination and reversal of timing differences	35	81
Total deferred tax	<u>35</u>	<u>81</u>
Taxation on profit on ordinary activities	<u>274</u>	<u>361</u>

The full amount of the current deferred tax liability of £173k (2019 - £138k) is not expected to reverse during the year ended 30 April 2021.

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	<u>1,331</u>	<u>1,853</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	253	352
Effects of:		
Fixed asset differences	2	2
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3	11
Adjustments to tax charge in respect of prior periods	(4)	-
Chargeable gains	-	6
Adjust closing deferred tax	-	(16)
Adjust opening deferred tax	20	7
Other differences leading to an increase (decrease) in the tax charge	-	(1)
Total tax charge for the year	<u>274</u>	<u>361</u>

Factors that may affect future tax charges

The Finance Act 2020 enacted legislation to maintain the current rate of corporation tax at 19% up until at least the tax year ended April 2022.

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

11. Tangible fixed assets

	Land and buildings freehold £000	Land and buildings freehold improvements £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation					
At 1 May 2019	7,600	101	1,109	109	8,919
Additions	-	84	179	96	359
Disposals	-	-	(143)	-	(143)
At 30 April 2020	<u>7,600</u>	<u>185</u>	<u>1,145</u>	<u>205</u>	<u>9,135</u>
Depreciation					
At 1 May 2019	-	5	691	41	737
Charge for the year on owned assets	-	14	204	38	256
Disposals	-	-	(102)	-	(102)
At 30 April 2020	<u>-</u>	<u>19</u>	<u>793</u>	<u>79</u>	<u>891</u>
Net book value					
At 30 April 2020	<u>7,600</u>	<u>166</u>	<u>352</u>	<u>126</u>	<u>8,244</u>
At 30 April 2019	<u>7,600</u>	<u>97</u>	<u>418</u>	<u>69</u>	<u>8,184</u>

Cost or valuation at 30 April 2020 is as follows:

	Land and buildings £000
At cost	5,913
At valuation:	
As at 30 April 2019	1,873
	<u>7,786</u>

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

11. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £000	2019 £000
Cost	5,913	5,777
Net book value	5,913	5,777

Freehold buildings are maintained to a high standard and are subject to valuation each year. Consequently, no depreciation is charged against them.

The freehold land and buildings at the Welwyn site were independently professionally valued as £3,350k at 30 April 2019 by Davies and Co, Chartered Surveyors at open market value in accordance with the Approved Valuation Manual of the Royal Institution of Chartered Surveyors.

The freehold land and buildings at the Coseley site were been independently professionally valued to a fair value of £4,250k at 30 April 2019 by an external valuer, Martin H Boomer BSc (Est Man) FRICS CDipAF of Bulleys Chartered Surveyors. The valuation was in accordance with the requirements of the RICS Valuation-Professional Standards January 2014 as amended and FRS102.

Based on independent professional advice, the Directors are satisfied the valuations for the properties have remained the same as at 30 April 2020.

12. Stocks

	2020 £000	2019 £000
Finished goods and goods for resale	4,266	3,945

Stock recognised in cost of sales during the year as an expense was £11,196k (2019 - £11,294k).

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The amount of stock provision released to the profit and loss in the year was £NIL (2019 - £154k).

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

13. Debtors

	2020 £000	2019 £000
Trade debtors	2,519	3,145
Other debtors	28	-
Prepayments and accrued income	195	39
	<u>2,742</u>	<u>3,184</u>

14. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	<u>3,985</u>	<u>3,663</u>

15. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	616	968
Corporation tax	9	80
Other taxation and social security	209	87
Other creditors	257	608
Accruals and deferred income	194	373
	<u>1,285</u>	<u>2,116</u>

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

16. Financial instruments

	2020	2019
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	3,985	3,663
Financial assets that are debt instruments measured at amortised cost	2,519	3,145
	<u>6,504</u>	<u>6,808</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,069)</u>	<u>(1,950)</u>

Financial assets measured at fair value through profit or loss comprise cash and bank balances.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

17. Deferred taxation

	2020
	£000
At beginning of year	(138)
Charged to profit or loss	(19)
Charged to other comprehensive income	(16)
At end of year	<u><u>(173)</u></u>

The provision for deferred taxation is made up as follows:

	2020	2019
	£000	£000
Fixed asset timing differences	(48)	(28)
Short term timing differences	-	2
Capital gains and losses	(125)	(112)
	<u>(173)</u>	<u>(138)</u>

COMMERCIAL BODY FITTINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

18. Share capital

	2020 £000	2019 £000
Authorised, allotted, called up and fully paid		
39,071 Ordinary shares of £1 each	39	39

The ordinary shares carry one voting right per share and have no rights to fixed income.

19. Reserves

Revaluation reserve

The Revaluation reserve represents the cumulative revaluation gains and losses on revaluation of land and buildings held as tangible fixed assets, net of associated deferred tax.

Profit & loss account

The Profit and loss account reserve represents cumulative profits and losses of the Company.

20. Pension commitments

The Company operated a defined contribution pension scheme for staff members during the year. The assets of the scheme are held separately from those of the Company in an independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £81k (2019: £73k). The outstanding contributions due to the funds at the year end amounted to £12k (2019: £12k).

21. Commitments under operating leases

At 30 April 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Plant and equipment		
Not later than 1 year	45	56
Later than 1 year and not later than 5 years	86	81
	131	137

COMMERCIAL BODY FITTINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

22. Related party transactions

During the year, there was a management fee of £1,491k (2019: £1,721k) charged to Commercial Body Fittings Limited from BWL Services Limited, a related party through common ownership. At the year end £248k (2019: £608k) is included within other creditors.

23. Controlling party

The Company is controlled by Mr G Negri who has beneficial ownership of the majority of the issued share capital of the company.