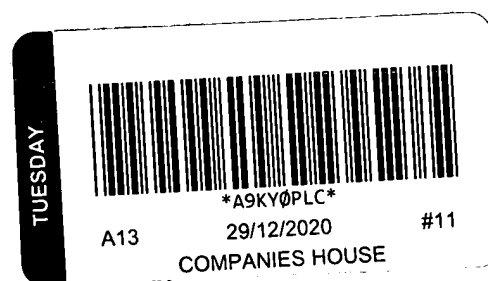


**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2020
FOR
CONNOP & SON LIMITED**

Chris Duckett Limited
Chartered Accountants & Statutory Auditors
Network House
Thorn Office Centre
Rotherwas
Hereford
HR2 6JT



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FOR THE YEAR ENDED 31ST MARCH 2020**

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CONNOP & SON LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2020**

Directors: M E Connop
R J Connop
V Connop
P E Connop
C J Connop
A Meredith

Secretary: R J Connop

Registered office: Folly Farm
Eardisland
Leominster
Herefordshire
HR6 9BS

Registered number: 02713279 (England and Wales)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2020**

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

Review of business

The principal activity of the Company during the year was groundworks and concreting, primarily for the poultry and agricultural sector.

The Director is satisfied with the Company's performance for the year ended 31st March 2020 and the Company will continue to undertake the above activity in to the foreseeable future.

Our key financial indicators are those that communicate the financial performance and strength of the Company as a whole, those being turnover and gross profit margin.

Turnover for the year ended 31st March 2020 has increased by 8.8% to £16,544,558 (2019: £15,205,364) and our gross profit margin has increased from 8.5% to 9.4%.

The Company managed to retain a strong Balance Sheet with the net current assets of the Company increasing to £3,687,091 (2019: £3,408,040) and an overall net asset worth of £5,836,088 (2019: £5,508,755).

The profit for the year, after taxation, amounted to £427,333 (2019: £199,134). The Director has recommended that no final dividend is paid for the year ended 31st March 2020 (2019: £Nil per share).

The company is committed to investing in its future development, spending £863,563 in the year (2019: £832,198) on new plant and equipment.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to:

- Financial risks including credit risk and price risk.
- Adverse weather conditions.
- Competition in the sector putting pressure on the pricing structure.

The key opportunities for the business, which mitigate its risk exposure, are:


- The Company manages its exposure to credit risk with careful credit control. Price risk is managed by constantly monitoring and adjusting sales pricing depending on market conditions.
- This year substantial investment included stabilisation equipment, which enable the Company to continue work in adverse weather conditions and reduce the cost of stone purchased.
- The Company has maintained its position as a leading supplier to both the poultry and greater agricultural sector by continuing to provide high quality products and services.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2020**

Research and development

Research and Development expenditure is written off in the year in which it is incurred. The Company continues to recognise the importance of ongoing Research and Development in respect of its systems and services and will maintain this investment as part of future operational and strategic planning.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'R J Connop', is written over a faint, larger version of the same signature.

R J Connop - Director

23rd December 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2020**

The directors present their report with the financial statements of the company for the year ended 31st March 2020.

Dividends

An interim dividend of £1,000 per share was paid on 12th February 2020. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st March 2020 will be £100,000.

A dividend totalling £100,000 was duly authorised and paid on 10th April 2020 being an interim dividend for the year ended 31st March 2021.

Future developments

The Director expects the Company to maintain its strong Balance Sheet and level of operating profits for the forthcoming year ended 31st March 2021. No changes in the operational activities are expected in the foreseeable future.

Directors

M E Connop has held office during the whole of the period from 1st April 2019 to the date of this report.

Other changes in directors holding office are as follows:

R J Connop - appointed 12th February 2020

V Connop - appointed 12th February 2020

P E Connop - appointed 12th February 2020

C J Connop - appointed 12th February 2020

A Meredith - appointed 12th February 2020

Financial instruments

The company does not actively use financial instruments as part of its financial risk management. The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through internal credit control procedures.

Close company status

The company is a close company as defined by HMRC.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2020**

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Report of the directors and the financial statements in accordance with applicable law and regulations.

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

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

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

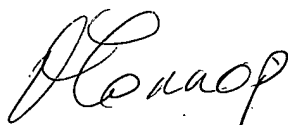
Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Chris Duckett Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



R J Connop - Director

23rd December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CONNOP & SON LIMITED

Opinion

We have audited the financial statements of Connop & Son Limited (the 'company') for the year ended 31st March 2020 which comprise the Income statement, Other comprehensive income, Balance sheet, Statement of changes in equity, Cash flow statement and Notes to the cash flow statement, Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 in the Strategic report and the Report of the directors, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CONNOP & SON LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

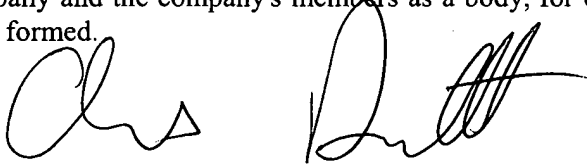
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CONNOP & SON LIMITED

Use of our report

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



Chris Duckett (Senior Statutory Auditor)
for and on behalf of Chris Duckett Limited
Chartered Accountants & Statutory Auditors
Network House
Thorn Office Centre
Rotherwas
Hereford
HR2 6JT

23rd December 2020

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020**

		31.3.20	31.3.19
	Notes	£	£
Turnover		16,544,558	15,205,364
Cost of sales		14,985,821	13,910,506
Gross profit		1,558,737	1,294,858
Administrative expenses		1,090,235	1,011,240
Operating profit	4	468,502	283,618
Interest receivable and similar income		2,173	573
		470,675	284,191
Interest payable and similar expenses	5	36,054	33,291
Profit before taxation		434,621	250,900
Tax on profit	6	7,288	51,766
Profit for the financial year		427,333	199,134

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2020**

	31.3.20	31.3.19
Notes	£	£
Profit for the year	427,333	199,134
Other comprehensive income	-	-
Total comprehensive income for the year	<u>427,333</u>	<u>199,134</u>

The notes form part of these financial statements

BALANCE SHEET
31ST MARCH 2020

	Notes	£	31.3.20 £	£	31.3.19 £
Fixed assets					
Tangible assets	8		3,067,576		3,035,744
Current assets					
Stocks	9	3,645,051		4,775,313	
Debtors	10	4,682,093		5,360,200	
Cash at bank and in hand		1,012,985		390,398	
		9,340,129		10,525,911	
Creditors					
Amounts falling due within one year	11	5,653,038		7,117,871	
Net current assets			3,687,091		3,408,040
Total assets less current liabilities			6,754,667		6,443,784
Creditors					
Amounts falling due after more than one year	12		(580,979)		(644,929)
Provisions for liabilities	16		(337,600)		(290,100)
Net assets			5,836,088		5,508,755
Capital and reserves					
Called up share capital	17		100		100
Retained earnings	18		5,835,988		5,508,655
Shareholders' funds			5,836,088		5,508,755

The financial statements were approved by the Board of Directors and authorised for issue on 23rd December 2020 and were signed on its behalf by:



R J Connop - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st April 2018	100	5,309,521	5,309,621
Changes in equity			
Total comprehensive income	-	199,134	199,134
Balance at 31st March 2019	100	5,508,655	5,508,755
Changes in equity			
Dividends	-	(100,000)	(100,000)
Total comprehensive income	-	427,333	427,333
Balance at 31st March 2020	100	5,835,988	5,836,088

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020**

		31.3.20	31.3.19
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	1,482,439	1,119,075
Interest paid		(1,519)	(2,033)
Interest element of hire purchase payments paid		(34,535)	(31,258)
Tax paid		11,412	(103,305)
Net cash from operating activities		<u>1,457,797</u>	<u>982,479</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(863,563)	(832,198)
Sale of tangible fixed assets		249,755	144,899
Interest received		2,173	573
Net cash from investing activities		<u>(611,635)</u>	<u>(686,726)</u>
Cash flows from financing activities			
Loan repayments in year		(10,199)	(9,685)
New HP's in the year		341,694	442,690
Capital repayments in year		(515,702)	(449,617)
Amount introduced by directors		275,358	3,618
Amount withdrawn by directors		(214,726)	-
Equity dividends paid		(100,000)	-
Net cash from financing activities		<u>(223,575)</u>	<u>(12,994)</u>
Increase in cash and cash equivalents		<u>622,587</u>	<u>282,759</u>
Cash and cash equivalents at beginning of year	2	<u>390,398</u>	<u>107,639</u>
Cash and cash equivalents at end of year	2	<u><u>1,012,985</u></u>	<u><u>390,398</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020**

1. Reconciliation of profit before taxation to cash generated from operations

	31.3.20	31.3.19
	£	£
Profit before taxation	434,621	250,900
Depreciation charges	601,488	605,751
(Profit)/loss on disposal of fixed assets	(19,513)	355
Finance costs	36,054	33,291
Finance income	(2,173)	(573)
	<u>1,050,477</u>	<u>889,724</u>
Decrease/(increase) in stocks	1,130,262	(1,241,035)
Decrease/(increase) in trade and other debtors	678,107	(331,444)
(Decrease)/increase in trade and other creditors	<u>(1,376,407)</u>	<u>1,801,830</u>
Cash generated from operations	<u><u>1,482,439</u></u>	<u><u>1,119,075</u></u>

2. Cash and cash equivalents

The amounts disclosed on the Cash flow statement in respect of cash and cash equivalents are in respect of these Balance sheet amounts:

Year ended 31st March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>1,012,985</u>	<u>390,398</u>

Year ended 31st March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	<u>390,398</u>	<u>107,639</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020**

3. Analysis of changes in net debt

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank and in hand	390,398	622,587	1,012,985
	<u>390,398</u>	<u>622,587</u>	<u>1,012,985</u>
Debt			
Finance leases	(1,089,031)	174,008	(915,023)
Debts falling due within 1 year	(9,980)	(540)	(10,520)
Debts falling due after 1 year	(37,983)	10,740	(27,243)
	<u>(1,136,994)</u>	<u>184,208</u>	<u>(952,786)</u>
Total	<u>(746,596)</u>	<u>806,795</u>	<u>60,199</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020**

1. Statutory information

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

2. Accounting policies

Basis of preparing the financial statements

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Long-term contracts are those where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Long-term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. The degree of completion of the contract is assessed by comparing the cost of the work completed at the financial year end to the total anticipated cost of the contract.

Tangible fixed assets

Tangible fixed assets are stated in the Balance Sheet at costs less depreciation. Depreciation is provided in the accounts, to write off the cost of fixed assets over their useful lives, at the following rates:

Short leasehold	2% & 6.66% on costs
Plant & machinery etc	15% & 20% reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

2. Accounting policies - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at the cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

2. Accounting policies - continued

Basic financial liabilities, including trade and other payables are measured at the transaction price. Other financial liabilities, including bank loans and preference shares that are classified as debt, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

2. Accounting policies - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. Employees (including officers)

	31.3.20	31.3.19
	£	£
Wages and salaries	2,038,119	2,091,535
Social security costs	221,070	225,426
Other pension costs	125,504	82,631
	<u>2,384,693</u>	<u>2,399,592</u>

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

	31.3.20	31.3.19
Production staff	40	40
Administrative staff	9	9
	<u>49</u>	<u>49</u>

	31.3.20	31.3.19
	£	£
Directors' remuneration	47,002	14,731
Directors' pension contributions to money purchase schemes	2,648	448
	<u>49,650</u>	<u>15,179</u>

4. Operating profit

The operating profit is stated after charging/(crediting):

	31.3.20	31.3.19
	£	£
Depreciation - owned assets	312,288	290,898
Depreciation - assets on hire purchase contracts	289,201	314,853
(Profit)/loss on disposal of fixed assets	(19,513)	355
Auditors' remuneration	6,000	6,000
Fees for non-audit work	15,550	6,000
	<u>603,526</u>	<u>628,106</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

5. Interest payable and similar expenses

	31.3.20	31.3.19
	£	£
Bank loan interest	1,519	2,033
Hire purchase	34,535	31,258
	<u>36,054</u>	<u>33,291</u>

6. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.20	31.3.19
	£	£
Current tax:		
UK corporation tax	-	28,800
UK corporation tax prior year	(40,212)	-
Total current tax	(40,212)	28,800
Deferred tax	47,500	22,966
Tax on profit	<u>7,288</u>	<u>51,766</u>

UK corporation tax was charged at 19% in 2019.

Reconciliation of total tax charge included in profit and loss

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

	31.3.20	31.3.19
	£	£
Profit before tax	<u>434,621</u>	<u>250,900</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	82,578	47,671
Effects of:		
Expenses not deductible for tax purposes	2,596	700
Capital allowances in excess of depreciation	(77,971)	(19,596)
Adjustments to tax charge in respect of previous periods	(40,212)	25
Deferred tax	47,500	22,966
R&D credits	(38,000)	-
Losses c/fwd	30,797	-
Total tax charge	<u>7,288</u>	<u>51,766</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

6. Taxation - continued

Losses carried forward amounted to approximately £162,100 (2019: £Nil).

7. Dividends

	31.3.20	31.3.19
	£	£
Ordinary shares of £1 each		
Interim	100,000	-

8. Tangible fixed assets

	Short leasehold £	Plant and machinery £	Totals £
Cost			
At 1st April 2019	108,020	5,082,901	5,190,921
Additions	-	863,563	863,563
Disposals	-	(436,236)	(436,236)
At 31st March 2020	108,020	5,510,228	5,618,248
Depreciation			
At 1st April 2019	49,202	2,105,975	2,155,177
Charge for year	2,507	598,982	601,489
Eliminated on disposal	-	(205,994)	(205,994)
At 31st March 2020	51,709	2,498,963	2,550,672
Net book value			
At 31st March 2020	56,311	3,011,265	3,067,576
At 31st March 2019	58,818	2,976,926	3,035,744

The net book value of tangible fixed assets includes £1,517,438 (2019 - £1,683,672) in respect of assets held under hire purchase contracts.

9. Stocks

	31.3.20	31.3.19
	£	£
Stocks	77,211	81,644
Work-in-progress	3,567,840	4,693,669
	3,645,051	4,775,313

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

10. Debtors: amounts falling due within one year

	31.3.20	31.3.19
	£	£
Trade debtors	4,613,536	4,897,590
Amounts recoverable on contract	24,416	432,921
Other debtors	4,165	5,377
Prepayments	39,976	24,312
	<u>4,682,093</u>	<u>5,360,200</u>

11. Creditors: amounts falling due within one year

	31.3.20	31.3.19
	£	£
Bank loans & overdrafts (see note 13)	10,520	9,980
Hire purchase contracts (see note 14)	361,287	482,085
Payments on account	2,927,861	4,058,900
Trade creditors	820,223	1,058,871
Corporation tax	-	28,800
Social security & other taxes	55,954	55,604
VAT	344,490	373,990
Owed to related parties	-	268,666
Provision for costs	128,500	20,000
Onerous contracts	180,380	-
Directors' loan accounts	776,246	715,614
Accruals & other creditors	47,577	45,361
	<u>5,653,038</u>	<u>7,117,871</u>

12. Creditors: amounts falling due after more than one year

	31.3.20	31.3.19
	£	£
Bank loans (see note 13)	27,243	37,983
Hire purchase contracts (see note 14)	553,736	606,946
	<u>580,979</u>	<u>644,929</u>

13. Loans

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>10,520</u>	<u>9,980</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

13. Loans - continued

	31.3.20	31.3.19
	£	£
Amounts falling due between two and five years:		
Bank loans - 2-5 years	27,243	37,983
	<u>27,243</u>	<u>37,983</u>

14. Leasing agreements

Minimum lease payments under hire purchase fall due as follows:

	31.3.20	31.3.19
	£	£
Net obligations repayable:		
Within one year	361,287	482,085
Between one and five years	553,736	606,946
	<u>915,023</u>	<u>1,089,031</u>

15. Secured debts

The following secured debts are included within creditors:

	31.3.20	31.3.19
	£	£
Bank loans	37,763	47,963
Hire purchase contracts	915,023	1,089,031
Directors' loan accounts	776,246	752,768
	<u>1,729,032</u>	<u>1,889,762</u>

Bank borrowing is secured by deeds over the director's residential property.

Hire purchase liabilities are secured over the assets in question.

The director's loan is secured by a debenture being all of the monies due or to become due from the company to the chargee. There is a first floating charge over all the undertaking, property and assets present and future including goodwill, uncalled capital and book debts.

16. Provisions for liabilities

	31.3.20	31.3.19
	£	£
Deferred tax	337,600	290,100
	<u>337,600</u>	<u>290,100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

16. Provisions for liabilities - continued

	Deferred tax
	£
Balance at 1st April 2019	290,100
Accelerated capital allowances	78,300
Losses	(30,800)
	<u>337,600</u>
Balance at 31st March 2020	<u>337,600</u>

17. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.20	31.3.19
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

18. Reserves

	Retained earnings
	£
At 1st April 2019	5,508,655
Profit for the year	427,333
Dividends	(100,000)
	<u>5,835,988</u>
At 31st March 2020	<u>5,835,988</u>

A dividend totalling £100,000 was duly authorised and paid on 10th April 2020.

19. Contingent liabilities

During 2019, the company experienced a serious accident. This is currently being investigated and if the company is subsequently found to be in breach of health and safety regulations, an uninsured fine may result. At this stage, the potential fine and relevant legal costs are unknown and therefore no provision has been included within the Financial Statements.

20. Related party disclosures

During the year, the Directors' used a current account with the company to record amounts due to them and amounts drawn by them. The amounts owed by the company at the end of the year was £776,246 (2019: £984,280).

The Directors are the key management personnel and their remuneration is disclosed in Note 3 of the accounts.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

21. Ultimate controlling party

The company is controlled by the Connop family.