

Company Registration No. 00336224 (England and Wales)

F A GILL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020



F A GILL LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | A R Paget C E Gill |
| Secretary | C E Gill |
| Company number | 00336224 |
| Registered office | Parkfields Wolverhampton West Midlands WV4 6EH |
| Auditor | Bache Brown & Co Limited Swinford House Albion Street Brierley Hill West Midlands DY5 3EE |
| Business address | Parkfields Wolverhampton West Midlands WV4 6EH |
| Bankers | Barclays Bank PLC Queen Square Branch Wolverhampton West Midlands WV1 1DS |

F A GILL LIMITED

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F A GILL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Directors present the strategic report and financial statements for the year ended 30 September 2020.

Fair review of the business

The Group Statement of Financial Position is on page 8. At the end of the 82nd trading year the Shareholders funds now amount to £8,256,275. The total sales value recorded for the year of £42,739,352 is up by £3,906,876 on the prior year or 10 %. This reflects the efforts to build up sales to the retail sector, whilst the year saw the collapse of the UK hospitality sector demand due to COVID19 restrictions. Tonnages of output were reduced as a consequence of COVID, although the number of pigs processed were again up from the previous years.

In the year that was dominated by COVID19 with its initial impact on China in late 2019 and the delayed impact on the UK in March 2020, the margin aspirations we had in late 2019, have been hard to meet. To achieve an overall 17.61% compares with 16.71% in the previous year. The year under review began well and we had a profit of some £350,000 after 9 weeks. Then COVID19 struck and has profoundly changed all of our lives, and not for the better. The additional cost of the additional hygiene and safety measures has been high, and as ever not aided by the mixed messages from those in so many authorities with a bit part role. The irony of further restrictions upon exports of pork to China consequent upon the impact of COVID19 in the UK and across Europe is not lost on us in Wolverhampton. This and later recurrent challenges on refrigerated shipping containers and costs for exporters adversely altered the already delicate equilibrium of the market. Brexit and the resulting chaos at the main UK ports will focus attention of the lack of self-sufficiency within the UK in food as in so many other crucial sectors. To turn a loss of past years into a modest trading profit against this background is a great compliment to the dedication and determination of all our staff. Resilience in action and bringing very welcome light out of the darkness on this side of Wolverhampton.

There are no dividends to be paid in respect of the year 2019/2020.

Principal risks and uncertainties

The famous pig cycle maintains the momentum towards gradually lower prices in the face of reduced demands and increased national output. Higher pig weights and accompanying higher fat levels have been noted by all including AHDB. The Directors remain committed to credit insurance policies to minimise the risks following the failure of other businesses and the bad debts that will be a feature of 2021. It may be a forlorn hope that the multitude of public bodies and regulators in the food sector might see themselves as part of the UK team and play together on the same pitch in 2021. In this year as in past years they have been actively seeking to dig up the national pitch at any available opportunity and on the flimsiest of reasons. The view of Disraeli about lies and statistics has never been more apt. They should help make a score for the UK rather than edit the facts to justify their role. The rush of major insurers to cease to offer competitive renewal terms for commercial risks and the ongoing case lead by the FCA to push them to play their part in supporting their policyholders, will also raise the overheads of our operations.

The medium-term impacts of both COVID19 and BREXIT are likely to provide fresh sets of challenges that will make the pork and food supply chain difficult, but at least we all have to eat. We should compare our challenges with the existential threats facing other parts of the UK economy heedlessly sacrificed for the precautionary principal of Public Health. The long term social consequences of melting down the economy as well as the direct economic costs are unlikely to be cleared within our lifetime, and will be the really toxic legacy we pass to our successor generations.

F A GILL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Development and performance

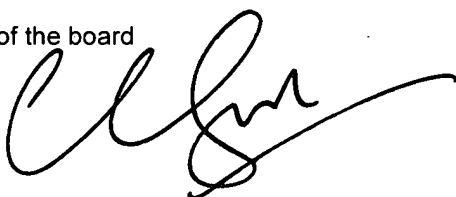
The Directors continue as in many past years, to believe that the financial stability and independence of F A GILL Ltd will prove to be a major advantage within the sector. We remain one of the last independently English owned businesses in the pigmeat processing industry. We are committed to making sure UK consumers can eat and enjoy British Pork with confidence, we provide unrivalled traceability from farm gate to dinner plate. To that end we are investing in our people, our equipment and our delivery vehicles to make sure more consumers can enjoy our products in a wide range of different outlets and online offerings. The Directors thank all members of our staff for their commitment and dedication in very difficult times, their efforts are worthy of wider appreciation and notice. We are proud to boast that the City of Wolverhampton has two Premier league teams. The Director thank all of our many customers for the support and increased orders placed with F A GILL LTD, and we thank our suppliers for keeping us all going when the going got tough.

The future will be brighter as we all emerge from the COVID19 pandemic, and we are all determined to play our part in feeding the regrowth with more British Pork and British meat products than ever before.

Key performance indicators

At our regular management meetings, the Directors review sales, gross profit margins and operational costs with the leadership team. The Health and Safety of all our team and the quality systems are also a major focus part of our daily activity on all of our five sites. The Directors are pleased with the progress made in all those areas and we expect the pace of such changes that have been started since September 2020 to increase. The trading results should then be enhanced for all parties and Stakeholders. We are all in this together for the long term, this is the benefit of putting more British Pork on more British forks more often.

On behalf of the board



C E Gill
Director

4 February 2021

F A GILL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the year ended 30 September 2020.

Principal activities

The principal activity of the company continued to be the processing and wholesaling of pork and meat products.

Directors

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

A R Paget

C E Gill

Results and dividends

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

It is proposed that the retained profit of £97,240 is transferred to the group's reserves.

Auditor

Bache Brown & Co Limited will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

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

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

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

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

Statement of disclosure to auditor

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

F A GILL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

On behalf of the board

C E Gill
Director

4 February 2021

A handwritten signature in black ink, appearing to read 'C E Gill', with a long horizontal flourish extending to the right.

F A GILL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F A GILL LIMITED

Opinion

We have audited the financial statements of F A Gill Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

F A GILL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF F A GILL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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


Ian Richard Baker (Senior Statutory Auditor)
for and on behalf of Bache Brown & Co Limited

4 February 2021

Chartered Certified Accountants
Statutory Auditors

F A GILL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Notes | 2020 £ | 2019 £ |
|---|----------|------------------|--------------------|
| Turnover | 3 | 42,739,352 | 38,832,476 |
| Cost of sales | | (35,210,431) | (32,343,439) |
| Gross profit | | 7,528,921 | 6,489,037 |
| Distribution costs | | (1,376,440) | (1,644,188) |
| Administrative expenses | | (6,023,004) | (6,016,003) |
| Other operating income | | 6,000 | 6,000 |
| Operating profit/(loss) | 4 | 135,477 | (1,165,154) |
| Interest receivable and similar income | 8 | 4,776 | 7,341 |
| Profit/(loss) before taxation | | 140,253 | (1,157,813) |
| Tax on profit/(loss) | 9 | (43,013) | 260,164 |
| Profit/(loss) for the financial year | | 97,240 | (897,649) |

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

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

The income statement has been prepared on the basis that all operations are continuing operations.

F A GILL LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|------------------|---|------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 10 | 4,076,940 | | 4,343,823 | |
| Investment properties | 11 | 163,669 | | 163,669 | |
| | | <u>4,240,609</u> | | <u>4,507,492</u> | |
| Current assets | | | | | |
| Stocks | 15 | 2,008,165 | | 1,388,405 | |
| Debtors | 16 | 4,572,290 | | 4,564,807 | |
| Cash at bank and in hand | | 1,344,695 | | 1,106,497 | |
| | | <u>7,925,150</u> | | <u>7,059,709</u> | |
| Creditors: amounts falling due within one year | 17 | (3,909,484) | | (3,408,166) | |
| Net current assets | | <u>4,015,666</u> | | <u>3,651,543</u> | |
| Total assets less current liabilities | | <u>8,256,275</u> | | <u>8,159,035</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 20 | 77,662 | | 77,662 | |
| Share premium account | | 80,000 | | 80,000 | |
| Capital redemption reserve | | 90,706 | | 90,706 | |
| Profit and loss reserves | | 8,007,907 | | 7,910,667 | |
| Total equity | | <u>8,256,275</u> | | <u>8,159,035</u> | |

The financial statements were approved by the board of directors and authorised for issue on 4 February 2021 and are signed on its behalf by:

A R Paget

A R Paget
Director

C E Gill

C E Gill
Director

F A GILL LIMITED

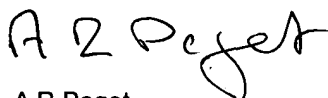
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

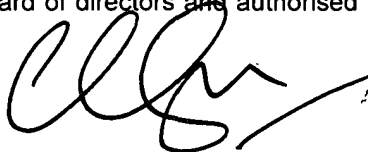
| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|--------------------|---|--------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 10 | 4,076,940 | | 4,343,823 | |
| Investment properties | 11 | 163,669 | | 163,669 | |
| Investments | 12 | 5,852 | | 5,852 | |
| | | <u>4,246,461</u> | | <u>4,513,344</u> | |
| Current assets | | | | | |
| Stocks | 15 | 2,008,165 | | 1,388,405 | |
| Debtors | 16 | 4,572,290 | | 4,564,807 | |
| Cash at bank and in hand | | 1,344,695 | | 1,106,497 | |
| | | <u>7,925,150</u> | | <u>7,059,709</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(3,915,336)</u> | | <u>(3,414,018)</u> | |
| Net current assets | | <u>4,009,814</u> | | <u>3,645,691</u> | |
| Total assets less current liabilities | | <u>8,256,275</u> | | <u>8,159,035</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 20 | 77,662 | | 77,662 | |
| Share premium account | | 80,000 | | 80,000 | |
| Capital redemption reserve | | 48,968 | | 48,968 | |
| Profit and loss reserves | | 8,049,645 | | 7,952,405 | |
| Total equity | | <u>8,256,275</u> | | <u>8,159,035</u> | |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £97,240 (2019 - £897,649 loss)

The financial statements were approved by the board of directors and authorised for issue on 4 February 2021 and are signed on its behalf by:



A R Paget
Director



C E Gill
Director

Company Registration No. 00336224

F A GILL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Share capital £ | Share premium account £ | Capital redemption reserve £ | Profit and loss reserves £ | Total £ |
|---|-----------------------|----------------------------------|---------------------------------------|-------------------------------------|------------|
| Balance at 1 October 2018 | 77,662 | 80,000 | 90,706 | 8,808,316 | 9,056,684 |
| Year ended 30 September 2019: | | | | | |
| Loss and total comprehensive income for the year | - | - | - | (897,649) | (897,649) |
| Balance at 30 September 2019 | 77,662 | 80,000 | 90,706 | 7,910,667 | 8,159,035 |
| Year ended 30 September 2020: | | | | | |
| Profit and total comprehensive income for the year | - | - | - | 97,240 | 97,240 |
| Balance at 30 September 2020 | 77,662 | 80,000 | 90,706 | 8,007,907 | 8,256,275 |

F A GILL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Share capital £ | Share premium account £ | Capital redemption reserve £ | Profit and loss reserves £ | Total £ |
|---|-----------------------|----------------------------------|---------------------------------------|-------------------------------------|------------|
| Balance at 1 October 2018 | 77,662 | 80,000 | 48,968 | 8,850,054 | 9,056,684 |
| Year ended 30 September 2019: Loss and total comprehensive income for the year | - | - | - | (897,649) | (897,649) |
| Balance at 30 September 2019 | 77,662 | 80,000 | 48,968 | 7,952,405 | 8,159,035 |
| Year ended 30 September 2020: Profit and total comprehensive income for the year | - | - | - | 97,240 | 97,240 |
| Balance at 30 September 2020 | 77,662 | 80,000 | 48,968 | 8,049,645 | 8,256,275 |

F A GILL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 23 | | 446,733 | | (140,620) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (213,311) | | (45,810) | |
| Proceeds on disposal of tangible fixed assets | | - | | 6,500 | |
| Interest received | | 4,776 | | 7,341 | |
| Net cash used in investing activities | | | (208,535) | | (31,969) |
| Net increase/(decrease) in cash and cash equivalents | | | 238,198 | | (172,589) |
| Cash and cash equivalents at beginning of year | | | 1,106,497 | | 1,279,086 |
| Cash and cash equivalents at end of year | | | 1,344,695 | | 1,106,497 |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

F A Gill Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Parkfields, Wolverhampton, West Midlands, WV4 6EH.

The group consists of F A Gill Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

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

All financial statements are made up to 30 September 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.4 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.5 Tangible fixed assets

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

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

| | |
|------------------------------|--|
| Land and buildings Freehold | 2% of buildings straight line basis |
| Land and buildings Leasehold | Amortised over the period of the lease |
| Plant and machinery | 5% - 25% straight line basis |

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

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss

1.7 Fixed asset investments

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

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

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

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

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

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

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

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

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

1.8 Impairment of fixed assets

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

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

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

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

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

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.9 Stocks

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

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

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

Impairment of financial assets

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

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

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

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 Taxation

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

Current tax

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

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

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

1.16 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

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

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

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Turnover and other revenue

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

| | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Turnover analysed by class of business | | |
| Wholesale of pork and meat products | 42,739,352 | 38,832,476 |
| | <u> </u> | <u> </u> |
| | 2020 £ | 2019 £ |
| Other significant revenue | | |
| Interest income | 4,776 | 7,341 |
| | <u> </u> | <u> </u> |
| | 2020 £ | 2019 £ |
| Turnover analysed by geographical market | | |
| United Kingdom | 42,626,505 | 38,564,283 |
| Other E.U countries | 112,847 | 268,193 |
| | <u> </u> | <u> </u> |
| | 42,739,352 | 38,832,476 |
| | <u> </u> | <u> </u> |

4 Operating profit/(loss)

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Operating profit/(loss) for the year is stated after charging/(crediting): | | |
| Depreciation of owned tangible fixed assets | 480,194 | 617,329 |
| Profit on disposal of tangible fixed assets | - | (6,496) |
| Operating lease charges | 81,515 | 82,511 |
| | <u> </u> | <u> </u> |

5 Auditor's remuneration

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 15,000 | 15,000 |
| | <u> </u> | <u> </u> |
| For other services | | |
| Taxation compliance services | 3,100 | 3,100 |
| All other non-audit services | 20,325 | 10,850 |
| | <u> </u> | <u> </u> |
| | 23,425 | 13,950 |
| | <u> </u> | <u> </u> |
| For services in respect of associated pension schemes | | |
| Audit-related assurance services | 3,300 | 3,300 |
| | <u> </u> | <u> </u> |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Employees

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

| | Group 2020 Number | 2019 Number | Company 2020 Number | 2019 Number |
|------------------------|-------------------------|----------------|---------------------------|----------------|
| Administrative staff | 29 | 33 | 29 | 33 |
| Sales and distribution | 54 | 54 | 54 | 54 |
| Works | 144 | 150 | 144 | 150 |
| Total | 227 | 237 | 227 | 237 |

Their aggregate remuneration comprised:

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|-----------------------|--------------------|-----------|----------------------|-----------|
| Wages and salaries | 4,984,567 | 5,147,527 | 4,984,567 | 5,147,527 |
| Social security costs | 413,448 | 473,268 | 413,448 | 473,268 |
| Pension costs | 116,767 | 81,621 | 116,767 | 81,621 |
| | 5,514,782 | 5,702,416 | 5,514,782 | 5,702,416 |

7 Directors' remuneration

| | 2020 £ | 2019 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 311,748 | 275,722 |

Remuneration disclosed above includes the following amounts paid to the highest paid director:

| | 2020 £ | 2019 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 205,987 | 171,850 |

8 Interest receivable and similar income

| | 2020 £ | 2019 £ |
|---------------------------|-----------|-----------|
| Interest income | | |
| Interest on bank deposits | 4,776 | 7,341 |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Taxation

| | 2020 £ | 2019 £ |
|---|---------------|------------------|
| Deferred tax | | |
| Origination and reversal of timing differences | 43,013 | - |
| Recognition of deferred tax asset on losses carried forward | - | (260,164) |
| Total deferred tax | 43,013 | (260,164) |

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

| | 2020 £ | 2019 £ |
|---|---------------|------------------|
| Profit/(loss) before taxation | 140,253 | (1,157,813) |
| Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | 26,648 | (219,984) |
| Tax effect of expenses that are not deductible in determining taxable profit | 4,965 | 8,628 |
| Recognition of deferred tax asset on losses | - | (61,664) |
| Depreciation on assets not qualifying for tax allowances | 11,400 | 12,856 |
| Taxation charge/(credit) | 43,013 | (260,164) |

The company has tax losses of £1,526,469 available to carry forward against future trading profits.

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10 Tangible fixed assets

| Group | Land and buildings Freehold £ | Land and buildings Leasehold £ | Plant and machinery £ | Total £ |
|------------------------------------|--|---|-----------------------------|------------|
| Cost | | | | |
| At 1 October 2019 | 4,121,268 | 37,860 | 12,472,457 | 16,631,585 |
| Additions | - | - | 213,311 | 213,311 |
| At 30 September 2020 | 4,121,268 | 37,860 | 12,685,768 | 16,844,896 |
| Depreciation and impairment | | | | |
| At 1 October 2019 | 850,625 | 37,860 | 11,399,277 | 12,287,762 |
| Depreciation charged in the year | 60,000 | - | 420,194 | 480,194 |
| At 30 September 2020 | 910,625 | 37,860 | 11,819,471 | 12,767,956 |
| Carrying amount | | | | |
| At 30 September 2020 | 3,210,643 | - | 866,297 | 4,076,940 |
| At 30 September 2019 | 3,270,643 | - | 1,073,180 | 4,343,823 |
| Company | | | | |
| | Land and buildings Freehold £ | Land and buildings Leasehold £ | Plant and machinery £ | Total £ |
| Cost | | | | |
| At 1 October 2019 | 4,121,268 | 37,860 | 12,472,457 | 16,631,585 |
| Additions | - | - | 213,311 | 213,311 |
| At 30 September 2020 | 4,121,268 | 37,860 | 12,685,768 | 16,844,896 |
| Depreciation and impairment | | | | |
| At 1 October 2019 | 850,625 | 37,860 | 11,399,277 | 12,287,762 |
| Depreciation charged in the year | 60,000 | - | 420,194 | 480,194 |
| At 30 September 2020 | 910,625 | 37,860 | 11,819,471 | 12,767,956 |
| Carrying amount | | | | |
| At 30 September 2020 | 3,210,643 | - | 866,297 | 4,076,940 |
| At 30 September 2019 | 3,270,643 | - | 1,073,180 | 4,343,823 |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|----------|--------------------|-----------|----------------------|-----------|
| Freehold | 3,215,999 | 3,270,643 | 3,215,999 | 3,270,643 |

11 Investment property

| | Group 2020 £ | Company 2020 £ |
|---|--------------------|----------------------|
| Fair value | | |
| At 1 October 2019 and 30 September 2020 | 163,669 | 163,669 |

The investment property is included in the accounts at cost which the directors consider to be a close approximation of the market value.

12 Fixed asset investments

| | Notes | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 13 | - | - | 5,852 | 5,852 |

Movements in fixed asset investments

Company

| | Shares in group undertakings £ |
|---|---|
| Cost or valuation | |
| At 1 October 2019 and 30 September 2020 | 5,852 |
| Carrying amount | |
| At 30 September 2020 | 5,852 |
| At 30 September 2019 | 5,852 |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|---------------------------------|-------------------|--------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Gills Fresh Meats Limited | England and Wales | Dormant | Ordinary | 100.00 | - |
| Gills Meat Halls Limited | England and Wales | Dormant | Ordinary | 100.00 | - |
| Gills Meat Products Limited | England and Wales | Dormant | Ordinary | 100.00 | - |
| Grangeway Food Services Limited | England and Wales | Dormant | Ordinary | 100.00 | - |

14 Financial instruments

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|---|--------------------|-----------|----------------------|-----------|
| Carrying amount of financial assets | | | | |
| Debt instruments measured at amortised cost | 3,667,943 | 3,636,382 | 3,667,943 | 3,636,382 |
| Carrying amount of financial liabilities | | | | |
| Measured at amortised cost | 3,740,118 | 3,297,095 | 3,745,970 | 3,302,947 |

Financial assets include trade debtors. Financial liabilities include trade creditors and accruals.

15 Stocks

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|-------------------------------------|--------------------|-----------|----------------------|-----------|
| Finished goods and goods for resale | 2,008,165 | 1,388,405 | 2,008,165 | 1,388,405 |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16 Debtors

| | Group 2020 | 2019 | Company 2020 | 2019 |
|---|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 3,667,932 | 3,636,371 | 3,667,932 | 3,636,371 |
| Other debtors | 141,882 | 121,955 | 141,882 | 121,955 |
| Prepayments and accrued income | 545,325 | 546,317 | 545,325 | 546,317 |
| | <u>4,355,139</u> | <u>4,304,643</u> | <u>4,355,139</u> | <u>4,304,643</u> |
| Deferred tax asset (note 18) | 217,151 | 260,164 | 217,151 | 260,164 |
| | <u>4,572,290</u> | <u>4,564,807</u> | <u>4,572,290</u> | <u>4,564,807</u> |

17 Creditors: amounts falling due within one year

| | Group 2020 | 2019 | Company 2020 | 2019 |
|------------------------------------|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Trade creditors | 3,661,902 | 3,201,382 | 3,661,902 | 3,201,382 |
| Amounts owed to group undertakings | - | - | 5,852 | 5,852 |
| Other taxation and social security | 169,366 | 111,071 | 169,366 | 111,071 |
| Accruals and deferred income | 78,216 | 95,713 | 78,216 | 95,713 |
| | <u>3,909,484</u> | <u>3,408,166</u> | <u>3,915,336</u> | <u>3,414,018</u> |

18 Deferred taxation

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

| Group | Assets 2020 £ | Assets 2019 £ |
|---|---------------------|---------------------|
| Recognition of deferred tax asset on losses carried forward | <u>217,151</u> | <u>260,164</u> |
| | | |
| Company | Assets 2020 £ | Assets 2019 £ |
| Recognition of deferred tax asset on losses carried forward | <u>217,151</u> | <u>260,164</u> |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18 Deferred taxation

(Continued)

| | Group 2020 £ | Company 2020 £ |
|--|--------------------|----------------------|
| Movements in the year: | | |
| Liability/(asset) at 1 October 2019 | (260,164) | (260,164) |
| Charge to profit or loss | 43,013 | 43,013 |
| Liability/(asset) at 30 September 2020 | <u>(217,151)</u> | <u>(217,151)</u> |

19 Retirement benefit schemes

| | 2020 £ | 2019 £ |
|---|----------------|---------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>116,767</u> | <u>81,621</u> |

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

20 Share capital

| | Group and company 2020 £ | 2019 £ |
|-----------------------------------|--------------------------------|---------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 77,662 Ordinary Shares of £1 each | <u>77,662</u> | <u>77,662</u> |

21 Operating lease commitments

Lessee

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

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|----------------------------|--------------------|----------------|----------------------|----------------|
| Within one year | 82,515 | 82,515 | 82,515 | 82,515 |
| Between two and five years | <u>318,582</u> | <u>330,060</u> | <u>318,582</u> | <u>330,060</u> |
| In over five years | - | 71,037 | - | 71,037 |
| | <u>401,097</u> | <u>483,612</u> | <u>401,097</u> | <u>483,612</u> |

F A GILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|--------------------------------------|--------------------|-----------|----------------------|-----------|
| Acquisition of tangible fixed assets | 53,250 | - | 53,250 | - |

23 Cash generated from/(absorbed by) group operations

| | 2020 £ | 2019 £ |
|--|----------------|------------------|
| Profit/(loss) for the year after tax | 97,240 | (897,649) |
| Adjustments for: | | |
| Taxation charged/(credited) | 43,013 | (260,164) |
| Investment income | (4,776) | (7,341) |
| Gain on disposal of tangible fixed assets | - | (6,496) |
| Depreciation and impairment of tangible fixed assets | 480,194 | 617,329 |
| Movements in working capital: | | |
| (Increase)/decrease in stocks | (619,760) | 205,555 |
| Increase in debtors | (50,496) | (169,748) |
| Increase in creditors | 501,318 | 377,894 |
| Cash generated from/(absorbed by) operations | 446,733 | (140,620) |

24 Analysis of changes in net funds - group

| | 1 October 2019 £ | Cash flows £ | 30 September 2020 £ |
|--------------------------|------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,106,497 | 238,198 | 1,344,695 |

25 Analysis of changes in net funds - company

| | 1 October 2019 £ | Cash flows £ | 30 September 2020 £ |
|--------------------------|------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,106,497 | 238,198 | 1,344,695 |