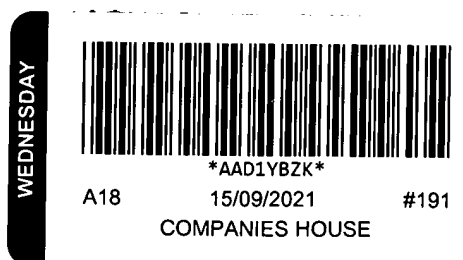


Company Registration No. 7432717 (England and Wales)

GRAHAM HEATH GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



GRAHAM HEATH GROUP LIMITED

COMPANY INFORMATION

Director	Mr GJ T Heath
Company number	7432717
Registered office	The Creamery Wrenbury Industrial Estate 2 Station Road Wrenbury Cheshire CW5 8EX
Auditor	Geens Limited 68 Liverpool Road Stoke on Trent Staffordshire ST4 1BG

GRAHAM HEATH GROUP LIMITED

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GRAHAM HEATH GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Group Strategic Report for the Year Ended 31 December 2020

The director presents his strategic report of the company and the group for the year ended 31 December 2020.

INTRODUCTION

The consolidated financial statements reflect the group's operations as follows:

Graham Heath Group Limited - a property holding company.

Graham Heath Construction Limited - subsidiary operating in the fabrication and erecting of agricultural buildings.

Concrete Panel Systems Limited - subsidiary operating in the manufacture of concrete panels.

TFC Supplies Limited - ceased trading on 19th December 2019.

Graham Heath Management Services Limited - provides management services to the group trading companies.

During late 2020 G H Equestrian Limited has started trading with providing buildings and services for Equestrian market in the UK.

In addition, the consolidated financial statements incorporate the dormant subsidiary companies, Moorfields Investments Limited and Concrete Products Limited.

The main trading activities of the group are conducted through Graham Heath Construction Limited and Concrete Panel Systems Limited

All the group's trading activities are conducted in the United Kingdom.

GRAHAM HEATH GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

REVIEW OF BUSINESS

The director aims to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

The two main trading companies generate turnover through advertising from their respective websites and in key industry magazines. Significant leads are now generated throughout the year from being an exhibitor and sponsor at related industry shows across the UK. The company's focus on core business values of high quality of product, competitive pricing, and excellent customer service, to generate repeat business with customers and generate positive publicity where possible.

These two companies had to increase lead times due to the impact of COVID 19, some turnover was clawed back in the months June to December 2020. The order intake remained very strong throughout the year for both companies. Concrete Panel Systems Limited benefitted with the full year sales of its new product supplied to the UK market, this replaced some of the shortfall in turnover during the lockdown suffered by Concrete Panel Systems Limited.

The group's turnover for the year was £14,498,310. (2019: £15,620,535).

Turnover in the current period has decreased by £1,122,225, compared to turnover for the prior period, a decrease of 7.2%. (2019: £637,017 increase, 4.3%). With the COVID lockdown and restrictions this decrease is better than expected. We had the strongest order intake for the month of May 2020 across the group as we started to come out of lockdown.

The gross profit margin has increased in the period from 22.1% in 2019 to 26.5%.

By increasing margins across our product range, the impact of lower turnover and COVID have been more than mitigated. The productivity gains expected with the increase in manufacturing capacity and adding to the product range has also fed through to the gross margin. Opportunities arose for better bulk buying from the extension to the product range offering.

The continual development of the Moorfields site from 2016 to 2020 has resulted in more space being made available for rent, adding to the group income and operating profit. All units are now occupied and contributing to the rental income stream generated by this site. This has been earnings enhancing during the period and will continue to do so going forward.

The group has invested in new and replacement plant and machinery whenever required. A new concrete batching plant was purchased in late 2020, it will generate savings in raw material usage and will be more environmentally friendly, as it is an enclosed batching system it will also reduce waste.

Operating profit before exceptional items has increased to £2,583,540 from £1,960,219.

Profit after taxation before exceptional items has decreased to £1,967,937 from £4,088,390, previous year included the fair value gain arising from the valuations of the investment property.

At the balance sheet date group net assets have increased by £1,367,937 from £7,956,723 to £9,324,660.

The director intends to continue with the policies which have resulted in an increase in turnover and to maximise margins generated in the business, whilst at the same time expanding the breadth of product range and geographical coverage.

GRAHAM HEATH GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL RISKS AND UNCERTAINTIES

There are a range of risks facing the group and the group seeks to manage its exposure to all forms of risk.

Return on investment - the director continually monitors the efficiency of machines and plans to sell any non-core machinery making losses or plant and machinery surplus to requirements. Any excess cash raised is re-invested into new machinery to meet the demands of the business.

Competition - the director is aware of competitors operating in the same business and aims to respond quickly to changes in supply and demand.

Current COVID-19 pandemic - COVID-19 presented several challenges for the group and the industry in which it operates with turnover expectedly dipping in April and May 2020. The group has taken steps such as participating in the government furlough scheme to control costs to offset this loss of income. The group received its record order intake in May 2020, showing demand for the group products remains strong.

FINANCIAL INSTRUMENT RISK

The business is exposed to the risk that financial instruments held by the group impact on its ability to operate effectively and profitably. The risks which are relevant to the group's operations are:

Credit risks

The trading companies have implemented policies that require appropriate credit checks on potential customers before sales are made. Policies are in place to ensure that provisions for bad debts are made when considered necessary. In addition, all purchases undergo stringent processes to establish rightful title to goods before onward sale.

Cashflow risks

The trading companies carefully manage their stock holding and debtor book to ensure that sufficient cash is available to meet operational need.

Liquidity risks

The trading companies fund working capital needs through the generation and retention of profits. Management is confident that additional bank funding facilities would be available, should it be required, to fund working capital, further investment, or any future expansion plans.

GRAHAM HEATH GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

FUTURE DEVELOPMENTS

During the period, the group remained profitable and has increased the number of tenants occupying the units at Moorfields. By closing the loss-making business TFC Supplies Limited in late 2019, as a result the group has benefitted from positive improvements in cash and profit in 2020.

The group's reputation for offering excellent value and service continues to grow, and this has been reflected in the emphasis on higher margin related sales throughout the trading period for the two main trading companies.

The director intends to continue the policies which have resulted in the review of turnover to maximise margins of the business whilst at the same time expanding the breadth of their product range, enhancing accessibility for clients, and embarking upon further geographic growth.

Post year-end the group is currently navigating the worldwide COVID-19 pandemic and more specifically how the situation affects the industries in which the group operates, the group itself and the group employees.

COVID-19 has presented several challenges for the group and the group has successfully worked through these to date. The group participated in the government furlough scheme to avoid any redundancies and all PAYE and VAT payments were made as normal from the strong cash balances of the group. Cash collections remained strong through into June 2020 and all suppliers were paid on terms. Key staff worked throughout the period and all factory staff were back manufacturing after a three to four-week furlough period.

We were able to trade with the key staff in place with turnover expectedly dipping for April and May 2020. The outlook for the group remains very positive, which is supported by the fact that the group has a strong balance sheet, significant cash balances and had a record order intake for the month of May 2020, with additional staff being recruited to cover the increased order book. Turnover and profits are expected to be lower than the current period due to the pandemic, however these expected reductions cannot currently be reliably estimated.

FINANCIAL KEY PERFORMANCE INDICATORS

The director considers that the key financial performance indicators are those that communicate the financial performance of the group, these being turnover, gross profit margin and operating profit margin.

	2019	2018
Turnover	£14,498,310	£15,620
Gross profit margin	27%	22%
Operating profit margin (before exceptional items)	18%	13%

Explanation of the key performance indicators detailed above can be found in the review of business section of this report.

GRAHAM HEATH GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

ON BEHALF OF THE BOARD:


.....
G J T Heath - Director

Date: 20 August 2021

GRAHAM HEATH GROUP LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company and group continued to be:

Graham Heath Group Limited- property holding company.

Graham Heath Construction Limited- erection of agricultural buildings.

Concrete Panel Systems Limited- manufacturer of concrete panels.

Graham Heath Management Services Limited- management services to trading group companies.

TFC Supplies Limited - ceased to trade following sale of final stocks

GH Equestrian Limited- commenced trade in the year and will erect stables, arenas and barns for the equestrian market.

The following wholly owned subsidiaries are dormant

Moorfields Investments Limited

Concrete Products Limited

All trading activities are operated in the UK.

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

No preference dividends were paid. The director does not recommend payment of a final dividend.

Director

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

Mr GJ T Heath

Auditor

Geens Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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.

On behalf of the board

X 

Mr GJ T Heath

Director

20 August 2021

GRAHAM HEATH GROUP LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

GRAHAM HEATH GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRAHAM HEATH GROUP LIMITED

Opinion

We have audited the financial statements of Graham Heath Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, 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 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 31 December 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

GRAHAM HEATH GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GRAHAM HEATH GROUP 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 director's 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 director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing 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 director either intends to liquidate the company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

GRAHAM HEATH GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GRAHAM HEATH GROUP LIMITED

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Karen Staley FCA BSc (Hons) (Senior Statutory Auditor)
For and on behalf of Geens Limited

8 Sept 2021

Chartered Accountants
Statutory Auditor

68 Liverpool Road
Stoke on Trent
Staffordshire
ST4 1BG

GRAHAM HEATH GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	14,489,310	15,620,534
Cost of sales		(10,661,834)	(12,163,937)
Gross profit		3,827,476	3,456,597
Distribution costs		(435,043)	(603,383)
Administrative expenses		(1,877,014)	(1,769,771)
Other operating income		1,068,121	876,776
Operating profit	4	2,583,540	1,960,219
Interest receivable and similar income	8	190	10,278
Interest payable and similar expenses	9	(145,949)	(201,134)
Fair value gains and losses on investment properties	14	-	3,205,387
Profit before taxation		2,437,781	4,974,750
Tax on profit	10	(469,844)	(886,360)
Profit for the financial year	27	1,967,937	4,088,390

Profit for the financial year is all attributable to the owners of the parent company.

GRAHAM HEATH GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£	£
Profit for the year	1,967,937	4,088,390
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,967,937</u>	<u>4,088,390</u>

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

GRAHAM HEATH GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	3,642,408		3,242,281	
Investment properties	14	9,464,217		9,459,217	
			13,106,625		12,701,498
Current assets					
Stocks	17	477,298		404,573	
Debtors	18	1,437,625		2,060,452	
Cash at bank and in hand		1,305,939		624,011	
			3,220,862		3,089,036
Creditors: amounts falling due within one year	19	(2,646,798)		(2,513,136)	
Net current assets			574,064		575,900
Total assets less current liabilities			13,680,689		13,277,398
Creditors: amounts falling due after more than one year	20	(3,541,710)		(4,597,440)	
Provisions for liabilities					
Provisions	22	2,519		34,035	
Deferred tax liability	23	811,800		689,200	
			(814,319)		(723,235)
Net assets			9,324,660		7,956,723
Capital and reserves					
Called up share capital	25	1,900,003		2,500,003	
Revaluation reserve	26	2,359,910		2,359,910	
Profit and loss reserves	27	5,064,747		3,096,810	
Total equity			9,324,660		7,956,723

The financial statements were approved and signed by the director and authorised for issue on 20 August 2021

X 

Mr GJ T Heath
Director

GRAHAM HEATH GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	3,660,547		3,255,188	
Investment properties	14	9,464,217		9,459,217	
Investments	15	3,049,728		3,049,728	
		<u>16,174,492</u>		<u>15,764,133</u>	
Current assets					
Debtors	18	511,879	1,315,984		
Cash at bank and in hand		127,669	142,708		
		<u>639,548</u>	<u>1,458,692</u>		
Creditors: amounts falling due within one year	19	<u>(1,707,436)</u>	<u>(2,229,429)</u>		
Net current liabilities		<u>(1,067,888)</u>		<u>(770,737)</u>	
Total assets less current liabilities		<u>15,106,604</u>		<u>14,993,396</u>	
Creditors: amounts falling due after more than one year	20	<u>(3,541,710)</u>		<u>(4,597,440)</u>	
Provisions for liabilities					
Deferred tax liability	23	<u>811,800</u>	<u>689,200</u>	<u>(689,200)</u>	
Net assets		<u>10,753,094</u>		<u>9,706,756</u>	
Capital and reserves					
Called up share capital	25	1,900,003		2,500,003	
Revaluation reserve	26	2,359,910		2,359,910	
Profit and loss reserves	27	6,493,181		4,846,843	
Total equity		<u>10,753,094</u>		<u>9,706,756</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 £1,646,338 (2019 - £4,134,289 profit).

The financial statements were approved and signed by the director and authorised for issue on 20 August 2021

X 

Mr GJ T Heath
Director

Company Registration No. 7432717

GRAHAM HEATH GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		2,500,003	-	1,394,830	3,894,833
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	4,088,390	4,088,390
Dividends	11	-	-	(26,500)	(26,500)
Transfers		-	2,359,910	(2,359,910)	-
Balance at 31 December 2019		2,500,003	2,359,910	3,096,810	7,956,723
Year ended 31 December 2020:					
Profit and total comprehensive income for the year	-	-	-	1,967,937	1,967,937
Redemption of shares	25	(600,000)	-	-	(600,000)
Balance at 31 December 2020		1,900,003	2,359,910	5,064,747	9,324,660

GRAHAM HEATH GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		2,500,003	-	3,098,964	5,598,967
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	4,134,289	4,134,289
Dividends	11	-	-	(26,500)	(26,500)
Transfers		-	2,359,910	(2,359,910)	-
Balance at 31 December 2019		2,500,003	2,359,910	4,846,843	9,706,756
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	1,646,338	1,646,338
Redemption of shares	25	(600,000)	-	-	(600,000)
Balance at 31 December 2020		1,900,003	2,359,910	6,493,181	10,753,094

GRAHAM HEATH GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	31	2,226,246		2,078,777	
Interest paid		(145,949)		(201,134)	
Income taxes (paid)/refunded		(399,827)		13,697	
Net cash inflow from operating activities		1,680,470		1,891,340	
Investing activities					
Purchase of tangible fixed assets		(924,223)		(285,455)	
Proceeds on disposal of tangible fixed assets		206,702		610,195	
Purchase of investment property		-		(270,076)	
Receipts arising from loans made		443,808		(177,728)	
Interest received		190		10,278	
Net cash used in investing activities		(273,523)		(112,786)	
Financing activities					
Redemption of shares		(600,000)		-	
Repayment of bank loans		(125,019)		(1,215,063)	
Dividends paid to equity shareholders		-		(26,500)	
Net cash used in financing activities		(725,019)		(1,241,563)	
Net increase in cash and cash equivalents		681,928		536,991	
Cash and cash equivalents at beginning of year		624,011		87,019	
Cash and cash equivalents at end of year		1,305,939		624,011	

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Graham Heath Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is shown on the company information page.

The group consists of Graham Heath Group 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 Business combinations

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.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Graham Heath Group Limited together with all entities controlled by the parent company (its subsidiaries)

All financial statements are made up to 31 December 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.

1.4 Going concern

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

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 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.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life which has now expired.

1.7 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:

Freehold land and buildings	2% straight line
Leasehold improvements	15% reducing balance
Plant and equipment	15% reducing balance
Fixtures and fittings	15-25% reducing balance
Computers	15-33% reducing balance
Motor vehicles	25% reducing balance

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 profit and loss account.

1.8 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. Changes in fair value are recognised in profit or loss.

Property rented to a group entity is accounted for as tangible fixed assets.

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries 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.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

1.11 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 the lower of cost and replacement 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.

1.12 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.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.13 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 balance sheet 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.

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.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.14 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.

1.15 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 profit and loss account 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.

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 profit and loss account, 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.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.16 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.17 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.

1.18 Retirement benefits

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

1.19 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.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.21 Foreign exchange

There are no transactions in foreign currency.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation rate and estimated economic life of tangible fixed assets

Management review the useful economic lives of depreciable assets at each reporting date so as to allocate the cost of assets, less their residual value, over their estimated useful lives. Uncertainties in these estimates relate to the actual life of the tangible assets.

Valuation of investment properties

Management review the carrying value of each investment property at the reporting date to ensure that the investment property is included in the balance sheet at fair value, being market value. Uncertainties in these estimates relate to the actual market value of these investment properties.

Going concern

The Director has assessed the going concern status of the group and considers the group to be a going concern. In making this assessment the Director has considered the impact of the coronavirus pandemic on the group to date and the group's ability to adapt and continue to trade. Despite the uncertainties, the turnover and resultant profit for the year ended 31st December 2020 were not as adversely effected as initially estimated and it is expected that the year ended 31st December 2021 will be further improved. In the Director's judgement, the group has sufficient cashflows and reserves to enable it to meet its ongoing liabilities for the foreseeable future.

3 Turnover and other revenue

Turnover is from a single class being the sale of goods.

	2020	2019
	£	£
Other significant revenue		
Interest income	190	10,278
Grants received	123,353	-
	<u> </u>	<u> </u>

All group turnover relates to sales made in the United Kingdom.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(123,353)	-
Depreciation of owned tangible fixed assets	276,636	308,459
Loss on disposal of tangible fixed assets	40,758	3,745
Operating lease charges	1,893	-
	<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	7,150	7,150
Audit of the financial statements of the company's subsidiaries	9,303	10,735
	<u> </u>	<u> </u>
	16,453	17,885
	<u> </u>	<u> </u>

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
Director	63	73	1	1
Production	5	6	5	6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	68	79	6	7
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,833,491	2,015,358	91,801	113,494
Social security costs	172,032	173,919	7,628	8,801
Pension costs	33,207	36,588	663	659
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,038,730	2,225,865	100,092	122,954
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	8,484	8,277

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	190	2,669
Other interest income	-	7,609
Total income	190	10,278

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	190	2,669
--------------------------------------------------------------------------------	-----	-------

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	39,377	81,847
Other interest on financial liabilities	106,572	119,287
	145,949	201,134

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	347,244	314,202
Adjustments in respect of prior periods	-	1,758
Total current tax	347,244	315,960
Deferred tax		
Origination and reversal of timing differences	122,600	570,400
Total tax charge	469,844	886,360

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

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

	2020 £	2019 £
Profit before taxation	2,437,781	4,974,750
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	463,178	945,203
Tax effect of expenses that are not deductible in determining taxable profit	10,740	398
Tax effect of utilisation of tax losses not previously recognised	-	(8,105)
Depreciation on assets not qualifying for tax allowances	9,473	6,196
Effect of revaluations of investments	-	(55,000)
Under/(over) provided in prior years	394	1,605
Deferred tax adjustments in respect of prior years	(13,941)	(3,937)
Taxation charge	469,844	886,360

11 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Final paid	-	26,500

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2020 and 31 December 2020	60,000
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	60,000
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost							
At 1 January 2020	1,993,827	75,810	2,579,659	42,407	114,287	447,939	5,253,929
Additions	16,678	-	907,545	-	-	-	924,223
Disposals	-	-	(318,012)	-	(20,618)	(40,931)	(379,561)
At 31 December 2020	2,010,505	75,810	3,169,192	42,407	93,669	407,008	5,798,591
Depreciation and impairment							
At 1 January 2020	106,334	14,831	1,464,171	19,148	72,221	334,943	2,011,648
Depreciation charged in the year	40,685	9,147	185,544	5,815	11,318	24,127	276,636
Eliminated in respect of disposals	-	-	(97,669)	-	(13,213)	(21,219)	(132,101)
At 31 December 2020	147,019	23,978	1,552,046	24,963	70,326	337,851	2,156,183
Carrying amount							
At 31 December 2020	1,863,486	51,832	1,617,146	17,444	23,343	69,157	3,642,408
At 31 December 2019	1,887,493	60,979	1,115,488	23,259	42,066	112,996	3,242,281

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

(Continued)

Company	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost							
At 1 January 2020	2,028,430	75,810	1,517,329	34,012	49,532	212,655	3,917,768
Additions	16,678	-	905,835	-	-	-	922,513
Disposals	-	-	(318,012)	-	(16,288)	(40,931)	(375,231)
At 31 December 2020	2,045,108	75,810	2,105,152	34,012	33,244	171,724	4,465,050
Depreciation and impairment							
At 1 January 2020	106,334	14,831	405,126	10,752	25,877	99,660	662,580
Depreciation charged in the year	40,685	9,147	184,689	5,815	6,880	24,127	271,343
Eliminated in respect of disposals	-	-	(97,669)	-	(10,532)	(21,219)	(129,420)
At 31 December 2020	147,019	23,978	492,146	16,567	22,225	102,568	804,503
Carrying amount							
At 31 December 2020	1,898,089	51,832	1,613,006	17,445	11,019	69,156	3,660,547
At 31 December 2019	1,922,096	60,979	1,112,203	23,260	23,655	112,995	3,255,188

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Freehold	535,702	546,635	535,702	546,635
Long leasehold	1,362,387	1,375,461	1,362,387	1,375,461
	<u>1,898,089</u>	<u>1,922,096</u>	<u>1,898,089</u>	<u>1,922,096</u>

14 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 January 2020 and 31 December 2020	<u>9,464,217</u>	<u>9,464,217</u>

Investment property comprises Moorfields Industrial Site, Land and units at Hanchurch Newcastle Under - Lyme along with a smaller residential property. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 10 January 2020 by Mounsey Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Cost	12,863,233	12,863,233	6,543,307	6,543,307
Accumulated depreciation	-	-	-	-
Carrying amount	<u>12,863,233</u>	<u>12,863,233</u>	<u>6,543,307</u>	<u>6,543,307</u>

15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	-	-	3,049,728	3,049,728

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
subsidiaries
£

Cost or valuation

At 1 January 2020 and 31 December 2020

3,049,728

Carrying amount

At 31 December 2020

3,049,728

At 31 December 2019

3,049,728

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Graham Heath Construction Limited	1	Erection of Agricultural buildings	Ordinary	100.00
Concrete Panel Systems Limited	1	Manufacture of concrete products	Ordinary	100.00
Graham Heath Management Services Limited	1	Management services to group companies	Ordinary	100.00
TFC Supplies Limited	1	Builders merchants	Ordinary	100.00
GH Equestrian Limited	1	Erection of stables, barn and arenas for equine industry	Ordinary	100.00
Moorfields Investments Limited	1	Dormant	Ordinary	100.00
Concrete Products Limited	1	Dormant	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 The Creamery, Wrenbury Industrial Estate, 2 Station Road, Wrenbury, Cheshire

17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	38,463	27,461	-	-
Work in progress	387,170	227,277	-	-
Finished goods and goods for resale	51,665	149,835	-	-
	<u>477,298</u>	<u>404,573</u>	<u>-</u>	<u>-</u>

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

18 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	904,100	824,991	28,435	66,590
Amounts owed by group undertakings	-	-	10,000	80,563
Other debtors	72,404	556,985	44,606	548,295
Prepayments and accrued income	129,695	251,238	97,412	193,298
	<u>1,106,199</u>	<u>1,633,214</u>	<u>180,453</u>	<u>888,746</u>
Amounts falling due after more than one year:				
Prepayments and accrued income	<u>331,426</u>	<u>427,238</u>	<u>331,426</u>	<u>427,238</u>
Total debtors	<u>1,437,625</u>	<u>2,060,452</u>	<u>511,879</u>	<u>1,315,984</u>

19 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans	21	106,058	113,347	106,058	113,347
Trade creditors		996,136	716,539	172,101	149,638
Amounts owed to group undertakings		100	-	1,353,084	1,400,711
Corporation tax payable		261,744	314,327	36	14,922
Other taxation and social security		330,422	237,374	-	-
Other creditors		58,298	423,175	3,075	387,660
Accruals and deferred income		894,040	708,374	73,082	163,151
		<u>2,646,798</u>	<u>2,513,136</u>	<u>1,707,436</u>	<u>2,229,429</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans and overdrafts	21	1,458,328	1,576,058	1,458,328	1,576,058
Other creditors		<u>2,083,382</u>	<u>3,021,382</u>	<u>2,083,382</u>	<u>3,021,382</u>
		<u>3,541,710</u>	<u>4,597,440</u>	<u>3,541,710</u>	<u>4,597,440</u>

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due after five years are as follows:

Payable by instalments	(2,089,676)	(1,078,847)	(961,117)	(1,078,847)
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21 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	1,564,386	1,689,405	1,564,386	1,689,405
Payable within one year	106,058	113,347	106,058	113,347
Payable after one year	1,458,328	1,576,058	1,458,328	1,576,058

The bank overdraft and long-term loans are secured by fixed charges over all assets of the companies

Graham Heath Group Limited entered into a bank loan on 28th November 2016 for £2,000,000 at 2% pa over base. The bank loan is repayable on XXXXX

Graham Heath Group Limited has an loan included in other creditors to HMRC. The loan interest and resultant corporation tax saving have already been accounted for in the calculation of the liability. The company has made over payments in the year.

22 Provisions for liabilities

	Group 2020 £	2019 £	Company 2020 £	2019 £
	2,519	34,035	-	-

A provision for £34,035 was included in the accounts for 31st December 2019 to provide for costs incurred to close a business operation. £2519 remains carried forward at 31st December 2020.

Movements on provisions:

Group	£
At 1 January 2020	36,554
Other movements	(34,035)
At 31 December 2020	2,519

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	255,800	133,200
Investment property	556,000	556,000
	<u>811,800</u>	<u>689,200</u>
	Liabilities 2020 £	Liabilities 2019 £
Company		
Accelerated capital allowances	255,800	133,200
Investment property	556,000	556,000
	<u>811,800</u>	<u>689,200</u>
	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	689,200	689,200
Charge to profit or loss	122,600	122,600
	<u>811,800</u>	<u>811,800</u>

24 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>33,207</u>	<u>36,588</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.

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

25 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	3	3	3	3
Preference share capital				
Issued and fully paid				
Redeemable preference shares of £1 each	1,900,000	2,500,000	1,900,000	2,500,000
Preference shares classified as equity			1,900,000	2,500,000
Total equity share capital			1,900,003	2,500,003

During the year redeemable preference shares consisting of 600,000 shares of £1 each were redeemed at par value.

Preference shares do not carry voting rights. Each share has a non cumulative 0.5% flexible coupon rate and is redeemable at the option of the company only. There is no redemption date. Preference shares also have priority in repayment of capital on winding up.

26 Revaluation reserve

	Group 2020 £	2019 £	Company 2020 £	2019 £
At the beginning of the year	2,359,910	-	2,359,910	-
Transfer to retained earnings	-	2,359,910	-	2,359,910
At the end of the year	2,359,910	2,359,910	2,359,910	2,359,910

27 Profit and loss reserves

	Group 2020 £	2019 £	Company 2020 £	2019 £
At the beginning of the year	3,096,810	1,394,830	4,846,843	3,098,964
Profit for the year	1,967,937	4,088,390	1,646,338	4,134,289
Dividends	-	(26,500)	-	(26,500)
Transfer from revaluation reserve	-	(2,359,910)	-	(2,359,910)
At the end of the year	5,064,747	3,096,810	6,493,181	4,846,843

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

28 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	31,122	41,496	-	-
Between two and five years	-	31,122	-	-
	<u>31,122</u>	<u>72,618</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>277,913</u>	<u>153,486</u>

Transactions with related parties

GH Equestrian Limited, a wholly owned subsidiary, sponsors the daughters of the director to compete at high level show jumping events to further promote the activities of the company in the relevant market place. Sponsorship for the year amounted to £12,337 (2019:£nil)

The director is also a director the the site management company, Sales to Creamery Industrial Estate Management amounted to £2,023 and purchase £1,441. The amount due and included in creditors was £2,231.

Other information

During the year the group entered into the following transactions with related parties:

30 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr GJ T Heath - Directors loan account	-	523,200	153,584	(671,391)	5,393
		<u>523,200</u>	<u>153,584</u>	<u>(671,391)</u>	<u>5,393</u>

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

31 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,967,937	4,088,390
Adjustments for:		
Taxation charged	469,844	886,360
Finance costs	145,949	201,134
Investment income	(190)	(10,278)
Loss on disposal of tangible fixed assets	40,758	3,745
Fair value gain on investment properties	-	(3,205,387)
Depreciation and impairment of tangible fixed assets	276,636	308,459
(Decrease)/increase in provisions	(31,516)	34,035
Movements in working capital:		
(Increase)/decrease in stocks	(72,725)	360,512
Decrease in debtors	179,019	325,999
Decrease in creditors	(749,466)	(914,192)
Cash generated from operations	2,226,246	2,078,777

32 Cash (absorbed by)/generated from operations - company

	2020 £	2019 £
Profit for the year after tax	1,646,338	4,134,289
Adjustments for:		
Taxation charged	122,636	585,197
Finance costs	146,208	201,068
Investment income	(1,490,190)	(1,610,270)
Loss on disposal of tangible fixed assets	39,109	3,745
Fair value gain on investment properties	-	(3,205,387)
Depreciation and impairment of tangible fixed assets	271,343	302,213
Other gains and losses	-	240,000
Movements in working capital:		
Decrease in debtors	360,297	248,580
Decrease in creditors	(1,442,818)	(482,472)
Cash (absorbed by)/generated from operations	(347,077)	416,963

GRAHAM HEATH GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

33 Analysis of changes in net debt - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	624,011	681,928	1,305,939
Borrowings excluding overdrafts	(1,689,405)	125,019	(1,564,386)
	<u>(1,065,394)</u>	<u>806,947</u>	<u>(258,447)</u>

34 Analysis of changes in net debt - company

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	142,708	(15,039)	127,669
Borrowings excluding overdrafts	(1,689,405)	125,019	(1,564,386)
	<u>(1,546,697)</u>	<u>109,980</u>	<u>(1,436,717)</u>