

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020**  
**FOR**  
**M.PRICE LIMITED**

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**for the Year Ended 30 APRIL 2020**

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**M.PRICE LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 30 APRIL 2020**

**DIRECTORS:**

C F Chapman  
B P Chapman  
A Waring

**SECRETARY:**

C F Chapman

**REGISTERED OFFICE:**

1 Haslemere Business Centre  
Lincoln Way  
Enfield  
Middlesex  
EN1 1DX

**REGISTERED NUMBER:**

00604114 (England and Wales)

**AUDITORS:**

Burnside  
Chartered Accountants  
and Statutory Auditor  
61 Queen Square  
Bristol  
BS1 4JZ

**CHIEF EXECUTIVE'S STATEMENT**  
**for the Year Ended 30 APRIL 2020**

**REVIEW OF PERFORMANCE**

M Price is one of the largest UK façade contractors, carrying out construction projects mainly in London and the Home Counties. Our core expertise is unitised and complex façade installations to high rise residential and commercial developments with contract sizes between £2m and £20m.

During our year ended 30 April 2020, Brexit uncertainty started to give way to the new crisis of Coronavirus. As the virus took hold during the last few months of our financial year, construction sites suffered closures and construction projects were delayed. Construction output dipped sharply around our year end, having an adverse impact on our 30 April 2020 results and even months later, had not recovered to January 2020 levels. (Source: Office for National Statistics "ONS") [https://www.citb.co.uk/documents/research/csn\\_outlook\\_2021\\_2025.pdf](https://www.citb.co.uk/documents/research/csn_outlook_2021_2025.pdf)

Despite this, our strong performance earlier in the year has still resulted in a transfer to reserves of over £1m, supported by a successful £635,000 reclaim of corporation tax for research and development expenditure.

Following the year end, we participated in the furlough scheme but only for a few months. The furlough scheme was supportive but there was still a cost of 20% of salaries plus lost productivity. The two metre distancing rule reduced productivity on site.

As a precautionary measure we sought funding from our bank which advanced CBILS loans of £3.5m in July 2020. To the date of signing this report, we have not had a need to use this funding but hold it in reserve should there be a recurrence of the disruption caused by coronavirus or any new strain.

Brexit has had an impact on supplies from overseas, with import delays slowing productivity and we have now engaged freight forwarders to handle import documentation when needed.

We have already reduced the profit we have taken on contracts in these financial statements, having taken a prudent view on contract progress, post year end. Brexit and coronavirus have both had an adverse impact on gross profit margins.

**OUTLOOK**

In 2021 we celebrate our 140th anniversary, certainly one of the oldest construction companies in London and probably UK.

We are implementing a new operating system, SAP By Design. SAP is possibly the world's best known Enterprise Resource Planning software, with around 200 million users worldwide including most major multinational companies. It will integrate all of our systems, streamlining operations and improving efficiency.

Cyber-crime is growing and is predicted to be one of the biggest threats to business over the next few years. We have invested over £400,000 in a new and highly secure IT infrastructure, developed in line with the Cyber Essentials standard. This was completed in March 2021.

The impact of coronavirus to the construction market, as shown in ONS statistics, has adversely affected performance during the year to April 2021. Despite this, the market is improving and we have secured new projects along with a strong pipeline. We anticipate new growth during 2021/22.

We have patented a fire-extinguishing cladding system for new build construction and product development will continue during 2021.

**CHIEF EXECUTIVE'S STATEMENT**  
**for the Year Ended 30 APRIL 2020**

Looking after our clients is key to our business and we are currently recruiting over twenty new staff, at all levels. We continue to strengthen our management team and project management division, and our senior staff have engaged in situational leadership training.

Our core mission is to deliver ever more cost competitive build solutions of the highest and safest standards, designing, manufacturing and installing large scale, complex facades.

C F Chapman  
Chief Executive

30 April 2021

**STRATEGIC REPORT**  
**for the Year Ended 30 APRIL 2020**

The directors present their strategic report for the year ended 30 April 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was the manufacture and installation of aluminium and other glass systems to provide building envelope solutions.

**REVIEW OF BUSINESS**

A review of the business is given in the Chief Executive's Statement on pages 2 to 3.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company finances its operations through the generation of cash from operating activities and therefore only has interest rate exposure on financial liabilities in relation to a long term loan secured on investment property, and this was repaid in full after the year-end following the sale of the related investment property. This exposure is not considered significant to the company. Liquidity risk is mitigated through forecasting the future cash flow requirements of the business and managing cash generation from its operations to maintain sufficient cash at bank balances.

**KEY PERFORMANCE INDICATORS**

The commercial activities of the company are subject to risks which are constantly monitored and evaluated by the directors. Key areas of risk include the financial stability of clients and suppliers together with the economic activity of the construction industry as a whole, particularly in the Greater London area.

Key performance indicators include the following (monetary values shown in £'000):

	<b>2020</b>	<b>2019</b>
Turnover (thousands)	<b>£34,089</b>	£30,530
Gross profit margin	<b>18%</b>	26%
Gross profit (thousands)	<b>£5,984</b>	£8,005
Net assets (thousands)	<b>£6,805</b>	£7,467
Employee numbers	<b>137</b>	149

The operating profit for the year, before taxation, exceptional loan write offs and interest, amounted to £421,317 (2019 - £2,566,434).

The company actively monitors the following financial and non-financial key performance indicators in managing its operations:

**Programme budgets**

Actual programme costs to date and future costs to completion are continuously monitored and compared with budgeted costs. We are successful in ensuring that actual programme costs continue to be controlled in line with budget. Budget controls are based upon an historic cost code structure built over many years.

**STRATEGIC REPORT**  
**for the Year Ended 30 APRIL 2020**

**KEY PERFORMANCE INDICATORS - continued**

**Treasury**

Actual cash balances are reviewed daily and compared with cash flow forecasts. Cash management is particularly important because the company receives a small number of large payments and any failure to control the timing of those payments would result in material variances from forecast cash flow.

**Production targets**

A key component of production is labour and production time is carefully budgeted and then monitored against the actual time taken to meet production targets. This is important because extended production time impacts on cost budgets but most importantly, can extend delivery and installation schedules.

**ON BEHALF OF THE BOARD:**

C F Chapman - Director

30 April 2021

**REPORT OF THE DIRECTORS**  
**for the Year Ended 30 APRIL 2020**

The directors present their report with the financial statements of the company for the year ended 30 April 2020.

**DIVIDENDS**

Interim dividends per share were paid as follows:

£58.00	- 13 January 2020
£92.89	- 4 February 2020
<u>£150.89</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 April 2020 will be £ 1,720,273 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2019 to the date of this report.

C F Chapman  
B P Chapman  
A Waring

Other changes in directors holding office are as follows:

D Fletcher - resigned 27 September 2019

**GOING CONCERN**

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

**DISCLOSURE IN THE STRATEGIC REPORT**

A review of the business, together with details of principal risks and uncertainties, key performance indicators, future developments and employee matters, are all given in the Strategic Report on pages 4 to 5 and the Chief Executive's Statement on pages 2 to 3.

**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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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



**REPORT OF THE DIRECTORS**  
**for the Year Ended 30 APRIL 2020**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

C F Chapman - Director

30 April 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**M.PRICE LIMITED**

**Opinion**

We have audited the financial statements of M.Price Limited (the 'company') for the year ended 30 April 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF M.PRICE LIMITED**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of directors**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**M.PRICE LIMITED**

**Use of our report**

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

Steven Coombe FCA (Senior Statutory Auditor)  
for and on behalf of Burnside  
Chartered Accountants  
and Statutory Auditor  
61 Queen Square  
Bristol  
BS1 4JZ

30 April 2021

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the Year Ended 30 APRIL 2020**

	Notes	2020 £	£	2019 £	£
<b>TURNOVER</b>			<b>34,088,579</b>		30,529,750
Cost of sales			<b>28,104,455</b>		<b>22,524,492</b>
<b>GROSS PROFIT</b>			<b>5,984,124</b>		8,005,258
Distribution costs		<b>541,344</b>		587,672	
Administrative expenses		<b>5,026,291</b>		<b>4,858,531</b>	
			<b>5,567,635</b>		5,446,203
			<b>416,489</b>		2,559,055
Other operating income			<b>4,828</b>		7,379
<b>OPERATING PROFIT</b>	5		<b>421,317</b>		2,566,434
Provision against loans to related undertakings	6		-		1,678,000
			<b>421,317</b>		888,434
Interest receivable and similar income			<b>126,578</b>		161,923
			<b>547,895</b>		1,050,357
Interest payable and similar expenses	7		<b>16,300</b>		12,207
<b>PROFIT BEFORE TAXATION</b>			<b>531,595</b>		1,038,150
Tax on profit	8		<b>(526,615)</b>		531,006
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>1,058,210</b>		507,144
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b>1,058,210</b>		507,144

The notes form part of these financial statements

**BALANCE SHEET**  
**30 APRIL 2020**

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>633,314</b>		429,574
Investment property	11		<b>225,000</b>		225,000
			<b>858,314</b>		654,574
<b>CURRENT ASSETS</b>					
Stocks	12	<b>55,481</b>		28,940	
Debtors	13	<b>13,584,459</b>		15,376,296	
Cash at bank and in hand		<b>4,273,733</b>		2,799,205	
		<b>17,913,673</b>		18,204,441	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<b>11,696,182</b>		11,319,641	
<b>NET CURRENT ASSETS</b>			<b>6,217,491</b>		6,884,800
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>7,075,805</b>		7,539,374
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		<b>(182,659)</b>		(26,646)
<b>PROVISIONS FOR LIABILITIES</b>	18		<b>(88,221)</b>		(45,740)
<b>NET ASSETS</b>			<b>6,804,925</b>		7,466,988
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		<b>11,401</b>		11,401
Capital redemption reserve			<b>13,599</b>		13,599
Retained earnings			<b>6,779,925</b>		7,441,988
<b>SHAREHOLDERS' FUNDS</b>			<b>6,804,925</b>		7,466,988

The financial statements were approved by the Board of Directors and authorised for issue on 30 April 2021 and were signed on its behalf by:

C F Chapman - Director

**STATEMENT OF CHANGES IN EQUITY**  
**for the Year Ended 30 APRIL 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 May 2018</b>	11,401	6,934,844	13,599	6,959,844
<b>Changes in equity</b>				
Total comprehensive income	-	507,144	-	507,144
<b>Balance at 30 April 2019</b>	<u>11,401</u>	<u>7,441,988</u>	<u>13,599</u>	<u>7,466,988</u>
<b>Changes in equity</b>				
Dividends	-	(1,720,273)	-	(1,720,273)
Total comprehensive income	-	1,058,210	-	1,058,210
<b>Balance at 30 April 2020</b>	<u>11,401</u>	<u>6,779,925</u>	<u>13,599</u>	<u>6,804,925</u>

**CASH FLOW STATEMENT**  
**for the Year Ended 30 APRIL 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,514,585	143,649
Interest paid		(8,195)	-
Interest element of hire purchase payments paid		(8,105)	(4,420)
Tax paid		(612,684)	-
Net cash from operating activities		<u>1,885,601</u>	<u>139,229</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(12,689)	(7,355)
Debt instruments repaid		1,299,992	365,000
Interest received		126,578	2,158
Net cash from investing activities		<u>1,413,881</u>	<u>359,803</u>
<b>Cash flows from financing activities</b>			
HP capital repayments in year		(104,681)	(43,841)
Equity dividends paid		(1,720,273)	-
Net cash from financing activities		<u>(1,824,954)</u>	<u>(43,841)</u>
<b>Increase in cash and cash equivalents</b>		<u>1,474,528</u>	<u>455,191</u>
<b>Cash and cash equivalents at beginning of year</b>	2	2,799,205	2,344,014
<b>Cash and cash equivalents at end of year</b>	2	<u><u>4,273,733</u></u>	<u><u>2,799,205</u></u>

The notes form part of these financial statements



**NOTES TO THE CASH FLOW STATEMENT**  
**for the Year Ended 30 APRIL 2020**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<b>531,595</b>	1,038,150
Depreciation charges	<b>171,862</b>	103,831
Write off related party loan	-	1,678,000
Finance costs	<b>16,300</b>	12,207
Finance income	<b>(126,578)</b>	(161,923)
	<b>593,179</b>	2,670,265
(Increase)/decrease in stocks	<b>(26,541)</b>	40,808
Decrease/(increase) in trade and other debtors	<b>1,038,240</b>	(2,148,246)
Increase/(decrease) in trade and other creditors	<b>909,707</b>	(419,178)
<b>Cash generated from operations</b>	<b><u>2,514,585</u></b>	<b><u>143,649</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 April 2020**

	<b>30.4.20</b>	<b>1.5.19</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>4,273,733</u></b>	<b><u>2,799,205</u></b>

**Year ended 30 April 2019**

	<b>30.4.19</b>	<b>1.5.18</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>2,799,205</u></b>	<b><u>2,344,014</u></b>

**NOTES TO THE CASH FLOW STATEMENT**  
**for the Year Ended 30 APRIL 2020**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1.5.19 £</b>	<b>Cash flow £</b>	<b>Other non-cash changes £</b>	<b>At 30.4.20 £</b>
<b>Net cash</b>				
Cash at bank and in hand	<u>2,799,205</u>	<u>1,474,528</u>		<u>4,273,733</u>
	<u>2,799,205</u>	<u>1,474,528</u>		<u>4,273,733</u>
<b>Debt</b>				
Finance leases	<u>(58,938)</u>	<u>104,681</u>	<u>(362,913)</u>	<u>(317,170)</u>
	<u>(58,938)</u>	<u>104,681</u>	<u>(362,913)</u>	<u>(317,170)</u>
<b>Total</b>	<u>2,740,267</u>	<u>1,579,209</u>	<u>(362,913)</u>	<u>3,956,563</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 30 APRIL 2020**

**1. STATUTORY INFORMATION**

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

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Significant judgements and estimates**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below.

**Revenue and profit/margin recognition**

The company's revenue recognition and long-term service contracts policies are set out below. These policies are central to the way in which the company values the work it has carried out at each reporting date and the estimation of the percentage completion of the contract. These policies require forecasts to be made of the outcome of long-term service contracts and require assessments and judgements to be made on the recovery of precontract costs, variations in work scopes, claim recoveries, expected contract costs to complete and the progress on contract programmes. The company has appropriate control procedures in place to ensure estimates are calculated on a consistent basis.

**Turnover**

Turnover represents the value of sales of goods and services rendered during the year, excluding value added tax and trade discounts. Turnover in respect of contracts ongoing at the year end is measured in accordance with valuations of work completed as certified by customers.

In respect of long term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 APRIL 2020**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold improvements	- over the term of the lease
Furniture, fittings and equipment	- 12.5% - 25% on reducing balance
Motor vehicles	- 25% on cost

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Stocks**

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

**Financial instruments**

Financial assets and liabilities are recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company may not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of any direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria of basic financial instruments are initially recorded at the present value of cash payable to the bank, usually being equivalent to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 APRIL 2020**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

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

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

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

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

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

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Employee benefits**

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

**Long-term contracts**

Long-term contracts are assessed on a contract by contract basis. Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. The attributable profit is recognised in the statement of comprehensive income as the difference between the reported turnover and related costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

**Investments**

Fixed asset investments are stated at cost less any provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 APRIL 2020**

**3. EMPLOYEES AND DIRECTORS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,154,129</b>	5,795,939
Social security costs	<b>555,627</b>	628,222
Other pension costs	<b>207,966</b>	227,688
	<b><u>5,917,722</u></b>	<u>6,651,849</u>

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

	<b>2020</b>	<b>2019</b>
Number of production and sales staff	<b>46</b>	51
Number of office and management staff	<b>91</b>	98
	<b><u>137</u></b>	<u>149</u>

**4. DIRECTORS' EMOLUMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	<b>280,576</b>	427,728
Directors' pension contributions to money purchase schemes	<b>10,000</b>	24,999

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<b><u>4</u></b>	<u>5</u>
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Information regarding the highest paid director is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Emoluments etc	<b>188,000</b>	220,997
Pension contributions to money purchase schemes	<b>10,000</b>	10,000

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other operating leases	<b>142,463</b>	351,859
Depreciation - owned assets	<b>51,685</b>	62,144
Depreciation - assets on hire purchase contracts	<b>120,177</b>	41,687
Auditors' remuneration	<b>33,150</b>	33,150
Auditors' remuneration for non audit work	<b>14,545</b>	4,350
Foreign exchange differences	<b>61,431</b>	19,510

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 APRIL 2020**

**6. EXCEPTIONAL ITEMS**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Provision against loans to related undertakings	<u>-</u>	<u>(1,678,000)</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
HMRC interest payable	<b>8,195</b>	7,787
Hire purchase charges	<b>8,105</b>	4,420
	<u><b>16,300</b></u>	<u>12,207</u>

**8. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	<b>65,797</b>	538,612
Adjustments in respect of prior periods	<b>(634,893)</b>	-
Total current tax	<u><b>(569,096)</b></u>	<u>538,612</u>
Deferred tax:		
Origination and reversal of timing differences	<b>42,481</b>	<b>(7,606)</b>
Tax on profit	<u><b>(526,615)</b></u>	<u>531,006</u>

UK corporation tax has been charged at 19% (2019 - 19%).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 APRIL 2020**

**8. TAXATION - continued**

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	2020 £	2019 £
Profit before tax	<u>531,595</u>	<u>1,038,150</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	101,003	197,249
Effects of:		
Expenses not deductible for tax purposes	3,067	12,045
Capital allowances in excess of depreciation	(39,250)	-
Depreciation in excess of capital allowances	-	8,732
Write off of related party loans	-	318,820
Other short term timing differences	977	1,766
Movement in deferred tax	42,481	(7,606)
R&D tax credits in respect of previous periods	(634,893)	-
Total tax (credit)/charge	<u>(526,615)</u>	<u>531,006</u>

**9. DIVIDENDS**

	2020 £	2019 £
Ordinary shares of £1 each		
Dividends paid on equity capital	<u>1,720,273</u>	-
	<u>1,720,273</u>	-



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 APRIL 2020**

**10. TANGIBLE FIXED ASSETS**

	Short leasehold improvements £	Furniture, fittings and equipment £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 May 2019	95,276	1,595,819	188,573	1,879,668
Additions	-	4,389	371,213	375,602
At 30 April 2020	<u>95,276</u>	<u>1,600,208</u>	<u>559,786</u>	<u>2,255,270</u>
<b>DEPRECIATION</b>				
At 1 May 2019	57,964	1,240,908	151,222	1,450,094
Charge for year	4,975	53,522	113,365	171,862
At 30 April 2020	<u>62,939</u>	<u>1,294,430</u>	<u>264,587</u>	<u>1,621,956</u>
<b>NET BOOK VALUE</b>				
At 30 April 2020	<u>32,337</u>	<u>305,778</u>	<u>295,199</u>	<u>633,314</u>
At 30 April 2019	<u>37,312</u>	<u>354,911</u>	<u>37,351</u>	<u>429,574</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Furniture, fittings and equipment £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 May 2019	119,500	106,995	226,495
Additions	-	362,913	362,913
At 30 April 2020	<u>119,500</u>	<u>469,908</u>	<u>589,408</u>
<b>DEPRECIATION</b>			
At 1 May 2019	59,752	75,701	135,453
Charge for year	14,938	105,239	120,177
At 30 April 2020	<u>74,690</u>	<u>180,940</u>	<u>255,630</u>
<b>NET BOOK VALUE</b>			
At 30 April 2020	<u>44,810</u>	<u>288,968</u>	<u>333,778</u>
At 30 April 2019	<u>59,748</u>	<u>31,294</u>	<u>91,042</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 APRIL 2020**

**11. INVESTMENT PROPERTY**

	<b>Total £</b>
<b>FAIR VALUE</b>	
At 1 May 2019 and 30 April 2020	<b><u>225,000</u></b>
<b>NET BOOK VALUE</b>	
At 30 April 2020	<b><u>225,000</u></b>
At 30 April 2019	<b><u>225,000</u></b>

The above investment property is valued at £225,000 (2019 - £225,000) by the directors at the year end on an open market basis.

**12. STOCKS**

	<b>2020 £</b>	<b>2019 £</b>
Raw materials	<b><u>55,481</u></b>	<b><u>28,940</u></b>

**13. DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Amounts falling due within one year:		
Trade debtors	<b>2,415,027</b>	2,616,337
Amounts owed by group undertakings	<b>180</b>	-
Amounts recoverable on contracts	<b>4,447,578</b>	4,483,680
Other debtors	<b>1,322,378</b>	1,081,478
Directors' current accounts	<b>640,598</b>	1,988,982
VAT recoverable	<b>645,117</b>	707,362
Corporation tax recoverable	<b>634,893</b>	-
Prepayments and accrued income	<b>605,790</b>	493,474
	<b><u>10,711,561</u></b>	<b><u>11,371,313</u></b>
Amounts falling due after more than one year:		
Trade debtors	<b>1,319,838</b>	1,056,496
Other debtors	<b>1,360,374</b>	2,667,303
Section 455 tax recoverable	<b>192,686</b>	281,184
	<b><u>2,872,898</u></b>	<b><u>4,004,983</u></b>
Aggregate amounts	<b><u>13,584,459</u></b>	<b><u>15,376,296</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 APRIL 2020****13. DEBTORS - continued**

Other debtors due after more than one year include debt instruments which carry interest at 3.5% per annum and which are repayable at the end of their respective five year terms, which fall due between one and three years after the year end.

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Hire purchase contracts (see note 16)	134,511	32,292
Trade creditors	6,206,322	7,585,303
Corporation tax	433,119	1,068,504
Social security and other taxes	366,621	175,680
Other creditors	25,945	20,804
Accruals and deferred income	4,529,664	2,437,058
	<u>11,696,182</u>	<u>11,319,641</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Hire purchase contracts (see note 16)	<u>182,659</u>	<u>26,646</u>

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase 2020 £	contracts 2019 £
Net obligations repayable:		
Within one year	134,511	32,292
Between one and five years	182,659	26,646
	<u>317,170</u>	<u>58,938</u>

  

	Non-cancellable 2020 £	operating leases 2019 £
Within one year	193,043	203,546
Between one and five years	741,218	731,029
In more than five years	534,747	714,527
	<u>1,469,008</u>	<u>1,649,102</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 APRIL 2020**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts	<b><u>317,170</u></b>	<b><u>58,938</u></b>

The hire purchase contracts are secured on the assets concerned.

**18. PROVISIONS FOR LIABILITIES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred tax		
Accelerated capital allowances	<b>88,243</b>	<b>44,785</b>
Other timing differences	<b>(22)</b>	<b>955</b>
	<b><u>88,221</u></b>	<b><u>45,740</u></b>

	<b>Deferred tax</b>
	<b>£</b>
Balance at 1 May 2019	<b>45,740</b>
Charge to Statement of Comprehensive Income during year	<b>42,481</b>
Balance at 30 April 2020	<b><u>88,221</u></b>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
11,401	Ordinary	£1	<b><u>11,401</u></b>	<b><u>11,401</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 APRIL 2020**

**20. CONTINGENT LIABILITIES**

The company has unused banking facilities secured on the assets of the company under a Mortgage Debenture.

At the date of approval of these financial statements, HM Revenue and Customs ("HMRC") have open enquiries into the tax affairs of the company for the years ended 30 April 2014 to 2018. The view of HMRC is that that company had made payments for the provision of services by individuals who could potentially be classed as employees for PAYE purposes, and they have therefore raised determinations claiming that additional PAYE and NI payments are due totalling £1,267,061. They have also raised determinations to disallow an element of these payments for corporation tax purposes totalling £349,159.

The directors of the company, having obtained advice from a leading global firm of accountants and tax advisers, consider all the above actions to be totally without merit or legal basis, and have lodged appeals against these assessments. HMRC have confirmed receipt of these appeals and are carrying out a review, the outcome and timing of which are still subject to significant uncertainty dependent on legal arguments still being pursued by both parties.

As any potential outflow of resources is not probable, this matter is disclosed as a contingent liability under FRS 102 section 21.12 and no liability is recognised in the financial statements.

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 30 April 2020 and 30 April 2019:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>C F Chapman</b>		
Balance outstanding at start of year	<b>538,408</b>	34,360
Amounts advanced	<b>411,725</b>	538,408
Amounts repaid	<b>(630,000)</b>	(34,360)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<b><u>320,133</u></b>	<b><u>538,408</u></b>
<b>B P Chapman</b>		
Balance outstanding at start of year	<b>1,063,329</b>	1,029,586
Amounts advanced	<b>89,942</b>	198,149
Amounts repaid	<b>(880,972)</b>	(164,406)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<b><u>272,299</u></b>	<b><u>1,063,329</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 APRIL 2020**

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

**A Waring**

Balance outstanding at start of year	<b>387,245</b>	171
Amounts advanced	<b>35,921</b>	387,245
Amounts repaid	<b>(375,000)</b>	(171)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<b><u>48,166</u></b>	<u>387,245</u>

Directors' loan accounts are all subject to interest chargeable at 3% per annum and are repayable on demand.

**22. RELATED PARTY DISCLOSURES**

The company paid rent during the year of £2,925 (2019 - £17,550) to C F Chapman for the provision of accommodation to employees.

During the year the company made rental payments of £14,982 (2019 - £179,780) to M Price Ltd Retirement Benefits Scheme for the rental of their premises. The company also met administrative costs in respect of the M Price Ltd Retirement Benefits Scheme as its principal employer totalling £nil (2019 - £1,605) in the year.

At the start of the year the company held preference share capital valued at £150,000 (2019 - £2,078,000) in Interwall Ltd, a company controlled by C F Chapman, which is repayable on demand and carries interest at 10% per annum. At the year end the recovery of the capital and interest was considered doubtful and as such was provided for to reduce the loan to its net recoverable value of £100,000 (2019 - £150,000). No interest has been charged on this loan as it is not considered that recovery of any such interest is likely.

During the year the company paid key management personnel compensation totalling £1,639,208 (2019 - £930,809).

Gladstone Investments Limited (incorporated in Mauritius ) is regarded by the directors as being the company's ultimate parent company.

The parent undertaking of the smallest group of undertakings for which group financial statements are prepared of which the company is a member is M Price Group Limited which is registered in England and Wales. Copies of M Price Group Limited financial statements can be obtained from the company's registered office, 1 Haslemere Business Centre, Lincoln Way, Enfield, Middlesex, EN1 1DX.

The ultimate controlling party is C F Chapman.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.