

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020  
FOR  
ROCKSTONE SURFACING LIMITED**

Haines Watts  
Chartered Accountants & Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
Wiltshire  
SN1 3DU

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FOR THE YEAR ENDED 31 AUGUST 2020**

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**ROCKSTONE SURFACING LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**DIRECTORS:** Mr S M Dziubinski  
Mrs L J Dziubinski

**SECRETARY:** Mrs L J Dziubinski

**REGISTERED OFFICE:** Central Trading Estate  
Signal Way  
Swindon  
Wiltshire  
SN3 1PD

**REGISTERED NUMBER:** 01933766 (England and Wales)

**AUDITORS:** Haines Watts  
Chartered Accountants & Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
Wiltshire  
SN1 3DU

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

**REVIEW OF BUSINESS**

Summary of year-end 31/08/2020

The company continues to spread its workload across the house-building, commercial and local authority sectors. After withstanding a difficult position with some major client accounts in the previous year, focus continued towards new client acquisition and diversification into more civil engineering-orientated schemes. Digital improvements included a new company website and social media profiles going live earlier in the year broaden awareness of services offered. Combined with the continued development of existing relationships, turnover of £7,109,327 (an decrease of 38%) is particularly pleasing giving the impact of the Covid-19 pandemic. Staff turnover continues to be very low, again with no changes within senior management positions. Continued investment in personal certifications has ensured that the company remains in a competitive position for the procurement of contracts involving a more rigid pre-qualification criteria. Capital expenditure has continued with the purchase of new paving machines and loading equipment, as well as the replacement of several existing items, with an additional maintenance manager recruited to cater for the increased fleet size.

**2020/21 Outlook**

UK housing activity remains low, however the imminent 'progression' of the European relationship offers as much cause for optimism as it does the contrary. Given the anticipated changes in both the commercial and technical landscapes, the company currently seeks to recruit more staff in these areas to retain a responsive position. As resources and experience grow in the civil engineering sector of the business, the company continues to pursue works of a more complex nature, confident in maintaining the quality and service levels established and recognised.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Whilst well documented, the full impact of leaving the European Union remains to be felt within the construction industry and the company will continue to focus on business-critical elements that may be affected in the future:

**Available labour:** The company will continue to invest in the training and development of home-grown talent for manual and skilled rolls within the workforce.

**Legislative Change:** Added personnel within technical and managerial positions will facilitate swift transition as the country migrates from previous EU-driven legislation.

**ON BEHALF OF THE BOARD:**

Mr S M Dziubinski - Director

10 June 2021

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

**PRINCIPAL ACTIVITY**

The principal activity of the company is the provision of sub-contract civil engineering, macadam and resinous surfacing in the South of England and South Wales.

**DIVIDENDS**

Interim dividends per share were paid as follows:

£896	- 31 March 2020
£640	- 31 August 2020
<u>£1,536</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2020 will be £ 153,600 .

**DIRECTORS**

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

Mr S M Dziubinski

Mrs L J Dziubinski

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**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.

**ON BEHALF OF THE BOARD:**

Mr S M Dziubinski - Director

10 June 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ROCKSTONE SURFACING LIMITED**

**Opinion**

We have audited the financial statements of Rockstone Surfacing Limited (the 'company') for the year ended 31 August 2020 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 31 August 2020 and of its loss 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policies note.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROCKSTONE SURFACING LIMITED**

### **Other information**

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

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

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

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

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

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

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ROCKSTONE SURFACING LIMITED**

**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.

**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.

Michael Lloyd FCCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants & Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
Wiltshire  
SN1 3DU

10 June 2021

STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
<b>TURNOVER</b>		7,109,327	11,441,031
Cost of sales		<u>6,398,157</u>	<u>9,744,470</u>
<b>GROSS PROFIT</b>		711,170	1,696,561
Administrative expenses		<u>1,583,418</u>	<u>999,989</u>
		(872,248)	696,572
Other operating income		<u>331,711</u>	<u>38,308</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	(540,537)	734,880
Interest receivable and similar income		<u>2,351</u>	<u>2,730</u>
		(538,186)	737,610
Interest payable and similar expenses	5	<u>40</u>	<u>-</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(538,226)	737,610
Tax on (loss)/profit	6	<u>(81,542)</u>	<u>106,231</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(456,684)	631,379
Retained earnings at beginning of year		5,162,870	4,685,091
Dividends	7	(153,600)	(153,600)
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>4,552,586</u>	<u>5,162,870</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		139,375
Tangible assets	9		890,070		1,033,382
Investment property	10		<u>1,855,147</u>		<u>1,415,100</u>
			<u>2,745,217</u>		<u>2,587,857</u>
<b>CURRENT ASSETS</b>					
Debtors	11	2,173,028		3,711,499	
Cash at bank and in hand		<u>920,967</u>		<u>1,225,829</u>	
		3,093,995		4,937,328	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,149,641</u>		<u>2,215,753</u>	
<b>NET CURRENT ASSETS</b>			<u>1,944,354</u>		<u>2,721,575</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,689,571		5,309,432
<b>PROVISIONS FOR LIABILITIES</b>	15		<u>136,885</u>		<u>146,462</u>
<b>NET ASSETS</b>			<u>4,552,686</u>		<u>5,162,970</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		100		100
Retained earnings	17		<u>4,552,586</u>		<u>5,162,870</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,552,686</u>		<u>5,162,970</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 June 2021 and were signed on its behalf by:

Mr S M Dziubinski - Director

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	443,248	480,206
Interest element of hire purchase payments paid		(40)	-
Tax paid		(62,388)	(108,329)
Net cash from operating activities		<u>380,820</u>	<u>371,877</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(180,535)	(607,546)
Purchase of investment property		(312,292)	(240,100)
Sale of tangible fixed assets		-	87,385
Interest received		2,351	2,730
Net cash from investing activities		<u>(490,476)</u>	<u>(757,531)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(3,056)	(9,167)
Amount withdrawn by directors		-	(5,348)
Equity dividends paid		(153,600)	(153,600)
Net cash from financing activities		<u>(156,656)</u>	<u>(168,115)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(266,312)</u>	<u>(553,769)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,187,279	1,741,048
<b>Cash and cash equivalents at end of year</b>	2	<u>920,967</u>	<u>1,187,279</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020

1. RECONCILIATION OF (LOSS)/PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
(Loss)/profit for the financial year	(456,684)	631,379
Depreciation charges	346,859	446,369
Loss/(profit) on disposal of fixed assets	4,863	(87,385)
Gain on revaluation of fixed assets	(16,255)	(92,500)
Finance costs	40	-
Finance income	(2,351)	(2,730)
Taxation	(81,542)	106,231
	<u>(205,070)</u>	<u>1,001,364</u>
Decrease/(increase) in trade and other debtors	1,610,436	(962,672)
(Decrease)/increase in trade and other creditors	<u>(962,118)</u>	<u>441,514</u>
<b>Cash generated from operations</b>	<u><u>443,248</u></u>	<u><u>480,206</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 August 2020**

	31/8/20	1/9/19
	£	£
Cash and cash equivalents	920,967	1,225,829
Bank overdrafts	-	(38,550)
	<u><u>920,967</u></u>	<u><u>1,187,279</u></u>

**Year ended 31 August 2019**

	31/8/19	1/9/18
	£	£
Cash and cash equivalents	1,225,829	1,747,538
Bank overdrafts	(38,550)	(6,490)
	<u><u>1,187,279</u></u>	<u><u>1,741,048</u></u>

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/19 £	Cash flow £	At 31/8/20 £
<b>Net cash</b>			
Cash at bank and in hand	1,225,829	(304,862)	920,967
Bank overdrafts	<u>(38,550)</u>	<u>38,550</u>	<u>-</u>
	1,187,279	(266,312)	920,967
<b>Debt</b>			
Finance leases	<u>(3,056)</u>	<u>3,056</u>	<u>-</u>
	(3,056)	3,056	-
<b>Total</b>	<u>1,184,223</u>	<u>(263,256)</u>	<u>920,967</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**1. STATUTORY INFORMATION**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Going concern**

The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is that, given the measures that could be undertaken to mitigate the current adverse conditions and the current resources available, they can continue to adopt the going concern basis in preparing the annual report and accounts.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of ten years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land Not depreciated

Freehold buildings 2% straight line basis

Plant and machinery 20% straight line basis

Motor Vehicles 20% straight line basis

Office Equipment 20% straight line basis

**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.

**Financial instruments**

Financial assets and liabilities are recognised 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 initially measured at transaction price.

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

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.



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

2. ACCOUNTING POLICIES - continued

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

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

3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,570,119	2,587,678
Social security costs	268,825	278,431
Other pension costs	40,553	94,397
	<u>2,879,497</u>	<u>2,960,506</u>

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

	2020	2019
Production	44	51
Admin	11	10
Other	4	4
	<u>59</u>	<u>65</u>

	2020	2019
	£	£
Directors' remuneration	<u>27,986</u>	<u>27,018</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	300,784	523,174
Lease of motor vehicles (Spot hire)	-	2,250
Depreciation - owned assets	318,984	418,495
Profit on disposal of fixed assets	(5,212)	(87,385)
Goodwill amortisation	27,875	27,875
Auditor's remuneration	<u>7,500</u>	<u>6,500</u>

The total cost of other services provided by the auditors was £5,038 (2019: £4,612).

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

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Hire purchase	<u>40</u>	<u>-</u>

6. TAXATION

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

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	<u>(81,542)</u>	<u>106,231</u>
Tax on (loss)/profit	<u>(81,542)</u>	<u>106,231</u>

UK corporation tax has been charged at 19% .

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

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

	2020	2019
	£	£
(Loss)/profit before tax	<u>(538,226)</u>	<u>737,610</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(102,263)	140,146
Effects of:		
Expenses not deductible for tax purposes	2,806	2,317
Income not taxable for tax purposes	(31,914)	(10,470)
Capital allowances in excess of depreciation	-	(25,739)
Depreciation in excess of capital allowances	45,975	-
Utilisation of tax losses	3,388	-
Reconciliation between accounting profit and tax expense (income)	466	(23)
Total tax (credit)/charge	<u>(81,542)</u>	<u>106,231</u>

7. DIVIDENDS

	2020	2019
	£	£
Ordinary shares of 1 each		
Interim	<u>153,600</u>	<u>153,600</u>

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

8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 September 2019 and 31 August 2020	<u>300,000</u>
<b>AMORTISATION</b>	
At 1 September 2019	160,625
Amortisation for year	27,875
Impairments	<u>111,500</u>
At 31 August 2020	<u>300,000</u>
<b>NET BOOK VALUE</b>	
At 31 August 2020	-
At 31 August 2019	<u>139,375</u>

During the year an impairment review of the intangible asset was undertaken. The carrying value of the brought forward intangible asset was subsequently written down to £nil as it was deemed to have no recoverable amount.

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Other tangible assets £	Totals £
<b>COST</b>					
At 1 September 2019	309,151	142,346	927,681	2,236,990	3,616,168
Additions	-	-	113,535	67,000	180,535
Disposals	-	-	(66,441)	(17,400)	(83,841)
At 31 August 2020	<u>309,151</u>	<u>142,346</u>	<u>974,775</u>	<u>2,286,590</u>	<u>3,712,862</u>
<b>DEPRECIATION</b>					
At 1 September 2019	145,808	142,345	682,193	1,612,440	2,582,786
Charge for year	3,000	-	108,715	207,269	318,984
Eliminated on disposal	-	-	(61,578)	(17,400)	(78,978)
At 31 August 2020	<u>148,808</u>	<u>142,345</u>	<u>729,330</u>	<u>1,802,309</u>	<u>2,822,792</u>
<b>NET BOOK VALUE</b>					
At 31 August 2020	<u>160,343</u>	<u>1</u>	<u>245,445</u>	<u>484,281</u>	<u>890,070</u>
At 31 August 2019	<u>163,343</u>	<u>1</u>	<u>245,488</u>	<u>624,550</u>	<u>1,033,382</u>

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

10. INVESTMENT PROPERTY

	Total £
<b>FAIR VALUE</b>	
At 1 September 2019	1,415,100
Additions	312,292
Revaluations	127,755
At 31 August 2020	<u>1,855,147</u>
<b>NET BOOK VALUE</b>	
At 31 August 2020	<u>1,855,147</u>
At 31 August 2019	<u>1,415,100</u>

Fair value at 31 August 2020 is represented by:

	£
Valuation in 2020	127,755
Valuation in 2019	92,500
Valuation in 2018	(55,105)
Cost	<u>1,689,997</u>
	<u>1,855,147</u>

Valuations are based on sales value in an open market. The properties were informally and independently valued.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	1,913,869	3,529,827
Other debtors	30,159	6,980
Directors' current accounts	5,956	5,956
Tax	71,965	-
VAT	131,063	156,440
Prepayments and accrued income	<u>20,016</u>	<u>12,296</u>
	<u>2,173,028</u>	<u>3,711,499</u>

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 13)	-	38,550
Hire purchase contracts (see note 14)	-	3,056
Trade creditors	976,647	1,978,742
Tax	-	71,965
Social security and other taxes	66,051	82,535
Other creditors	34,526	10,057
Accruals and deferred income	72,417	30,848
	<u>1,149,641</u>	<u>2,215,753</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>38,550</u>

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>3,056</u>

15. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	<u>136,885</u>	<u>146,462</u>
		Deferred tax
		£
Balance at 1 September 2019		146,462
Utilised during year		<u>(9,577)</u>
Balance at 31 August 2020		<u>136,885</u>

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

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

17. RESERVES

	Retained earnings £
At 1 September 2019	5,162,870
Deficit for the year	(456,684)
Dividends	(153,600)
At 31 August 2020	<u>4,552,586</u>

18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 August 2020 and 31 August 2019:

	2020 £	2019 £
<b>Mr S M Dziubinski and Mrs L J Dziubinski</b>		
Balance outstanding at start of year	5,956	-
Amounts advanced	153,600	159,556
Amounts repaid	(153,600)	(153,600)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,956</u>	<u>5,956</u>

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