

Registered number: 02372728

**MAGNAVALE CHESTERFIELD LTD
(FORMERLY KNOWN AS RICK BESTWICK LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 DECEMBER 2020



MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

COMPANY INFORMATION

Directors A C Lawrence
S A Lawrence
A J Cogan (appointed 1 August 2020)

Company secretary T Potocki

Registered number 02372728

Registered office Magnavale House
Park Road
Holmewood Industrial Park
Chesterfield
Derbyshire
S42 5UY

Independent auditors Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Income and Retained Earnings	9
Statement of Financial Position	10 - 11
Notes to the Financial Statements	12 - 27

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

STRATEGIC REPORT FOR THE PERIOD ENDED 27 DECEMBER 2020

Introduction

The directors present their strategic report for the period ended 27 December 2020.

Business review and financial performance indicators

The Company continues to provide frozen, chilled and ambient storage to its customers along with providing a range of value-added services including blast freezing, tempering both through industrial microwaves and chamber facilities, repacking, container loading and unloading.

As a result of the pandemic the Company delivered a 16.4% decrease in top line of continuing operations in 2020.

Forecast turnover and EBITDA for 2021 will be back to normal levels due to market conditions getting better, export to various countries starting again and refinancing of the whole group that will see existing sites improved and expanded for additional storage facilities whilst also paying increased rentals for cold storage.

The Board and Shareholders would therefore like to place on record their thanks to all employees within the business that enabled the delivery of this result.

We consider our key financial performance indicators to be those that communicate the financial performance and strength of the group as a whole, in particular turnover, gross margin and debt service. The Company and the Group that it is part of continues to operate comfortably within all of its banking covenants.

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Turnover	10,703,848	12,806,201
Gross profit	3,732,290	5,638,073
Interest cover	0.86	10.29

Principal risks and uncertainties

The board is responsible for the Company's risk management and for ensuring that robust processes are in place to identify, manage and report risks that threaten the objectives of the Company. These include Financial, Operational and Regulatory compliance risks. The principal features of the Company's risk management are:

A strong control environment, which is founded on an appropriate organisational structure for planning, executing, controlling and monitoring business operations. It includes clearly defined responsibilities and accountabilities.

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 27 DECEMBER 2020**

Control Procedures

These include budgetary systems and management controls to manage financial risks; timely and accurate management information in respect of key performance measures; and procedures to ensure complete and accurate accounting, which are regularly reviewed by the board.

Customer

The risk of contract cancellation and customer confidence is managed by providing a high-quality service and to customer requirements.

Staff

The operations of the Company depend upon the continuing employment of key staff and the ability to recruit and retain people with the expertise and experience required. To achieve this the Company provides what it believes to be competitive remuneration commensurate with the industry and is increasing its commitment to employee development and well-being.

Credit Risk

The group seeks to manage its credit risk by dealing with established customers or otherwise checking the credit worthy-ness of new customers, establishing clear contractual relationships with those customers and identifying and addressing any credit issues arising in a timely manner.

Interest Rate Risk

The Company's exposure to market risk for the changes in interest rates relates primarily to its bank and finance lease borrowings. The Company and the Group it is part of seeks to manage this risk by the use of a combination of variable and fixed rates.

As for many businesses of our size, the business environment in which we operate continues to be challenging with good levels of competition in the marketplace. The strength of our offering is in our ability to meet the needs of our customers and alongside this, the continued increase in our customer base and service offerings forms an effective means of managing economic risk in the current environment.

Our key financial risk is the ability to continue to generate and access sufficient funds to pay down debt, satisfy our ongoing business requirements and continue to grow.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However, in terms of what we can foresee at present and the knowledge we have already for 2021, we remain very confident in the prospects of the business going forward and the results for 2021 are positive.

This report was approved by the board and signed on its behalf.



A C Lawrence
Director Date:
25 June 2021

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

DIRECTORS' REPORT FOR THE PERIOD ENDED 27 DECEMBER 2020

The directors present their report and the financial statements for the period ended 27 December 2020.

Results and dividends

The loss for the period, after taxation, amounted to £743,610 (2019 - profit £504,425).

Directors

The directors who served during the period were:

A C Lawrence
S A Lawrence
A J Cogan (appointed 1 August 2020)

Change of name

On 10 February 2021 the Company changed its name from Rick Bestwick Limited to Magnavale Chesterfield Limited.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements 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 to 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.

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 27 DECEMBER 2020

Going concern

The Company and the Group it is part of use liquid resources and working capital balances that arise directly from its operations. The Company and the Group seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Liquidity is monitored regularly by reference to forecasts and available facilities.

As a result of the COVID-19 outbreak during 2020, the directors have implemented procedures in order to comply with the UK government guidelines, including employees working from home where possible. The Company and the Group have taken a CLBILS loan to help finance the effect of reduced income levels in 2020, which was repaid in February 2021. While the COVID-19 pandemic has driven a reduction in order intake during the second quarter of 2020, the business has continued to fulfil significant order delivery commitments, confirm and progress negotiations on new orders for delivery in the next 12 months.

Brexit has continued to help the business positively as the Group's customers seek to meet their delivery commitments.

The Company has seen a significant decrease in turnover as the exports were halted due to pandemic and caused disruptions to supply chain however the 2021 levels have reverted to pre-2020 resulting in increased profits.

The directors, having prepared cashflow forecasts to December 2022, including sensitivity analysis, expect an increase in revenue levels for 2021 and 2022, the forecast outlook the director's expectation that the business will continue to operate as a going concern for the foreseeable future. The Group and Company have obtained additional finance in 2020/21. The directors therefore believe that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The audit for the period ended 31 December 2019 was undertaken by Grant Thornton LLP, who subsequently resigned as auditors. The directors appointed Haysmacintyre LLP to fill the casual vacancy and Haysmacintyre LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A C Lawrence
Director Date: 25 June 2021

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

Opinion

We have audited the financial statements of Magnavale Chesterfield Ltd (formerly known as Rick Bestwick Limited) (the 'Company') for the period ended 27 December 2020, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, 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 27 December 2020 and of its loss for the period 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 United Kingdom, including the Financial Reporting Council'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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD
(FORMERLY KNOWN AS RICK BESTWICK LIMITED) (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED) (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 an Auditors' 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:

Based on our understanding of the Company and its industry, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

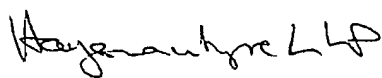
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD
(FORMERLY KNOWN AS RICK BESTWICK LIMITED) (CONTINUED)**

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 Auditors' 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.



Ian Daniels (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG
Date: 29 June 2021

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

		1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
	Note		
Turnover	4	10,703,848	12,806,201
Cost of sales		(7,025,522)	(7,168,128)
Gross profit		3,678,326	5,638,073
Administrative expenses		(5,172,542)	(5,134,144)
Other operating income	5	883,852	175,944
Operating (loss)/profit		(610,364)	679,873
Interest payable and expenses	10	(107,091)	(134,908)
(Loss)/profit before tax		(717,455)	544,965
Tax on (loss)/profit	11	(26,155)	(40,540)
(Loss)/profit after tax		(743,610)	504,425
Retained earnings at the beginning of the period		985,865	481,440
		985,865	481,440
(Loss)/profit for the period		(743,610)	504,425
Retained earnings at the end of the period		242,255	985,865
The notes on pages 12 to 27 form part of these financial statements.			

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)
REGISTERED NUMBER: 02372728

STATEMENT OF FINANCIAL POSITION
AS AT 27 DECEMBER 2020

	Note	27 December 2020 £	As restated 31 December 2019 £
Fixed assets			
Tangible assets	12	3,192,383	4,042,533
		<u>3,192,383</u>	<u>4,042,533</u>
Current assets			
Stocks	13	88,329	85,697
Debtors: amounts falling due within one year	14	4,138,874	4,896,151
Cash at bank and in hand	15	36,851	480,965
		<u>4,264,054</u>	<u>5,462,813</u>
Creditors: amounts falling due within one year	16	(6,255,409)	(7,116,109)
Net current liabilities		<u>(1,991,355)</u>	<u>(1,653,296)</u>
Total assets less current liabilities		<u>1,201,028</u>	<u>2,389,237</u>
Creditors: amounts falling due after more than one year	17	(128,271)	(619,859)
Provisions for liabilities			
Deferred tax	18	(230,502)	(183,513)
		<u>(230,502)</u>	<u>(183,513)</u>
Net assets		<u><u>842,255</u></u>	<u><u>1,585,865</u></u>

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)
REGISTERED NUMBER: 02372728

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 27 DECEMBER 2020

		27 December 2020 £	As restated 31 December 2019 £
Capital and reserves	Note		
Called up share capital	19	222,222	222,222
Share premium account	20	377,778	377,778
Profit and loss account	20	242,255	985,865
		<u>842,255</u>	<u>1,585,865</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A C Lawrence
Director
Date: 25 June 2021

The notes on pages 12 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

1. General information

The Company is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office the principal place of business is Magnavale House, Park Road, Holmewood Industrial Park, Holmewood, Chesterfield, Derbyshire, S42 5UY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Magnavale Limited as at 27 December 2020 and these financial statements may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Going concern

The Company and the Group it is part of use liquid resources and working capital balances that arise directly from its operations. The Company and the Group seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Liquidity is monitored regularly by reference to forecasts and available facilities.

As a result of the COVID-19 outbreak during 2020, the directors have implemented procedures in order to comply with the UK government guidelines, including employees working from home where possible. The Company and the Group have taken a CLBILS loan to help finance the effect of reduced income levels in 2020, which was repaid in February 2021. While the COVID-19 pandemic has driven a reduction in order intake during the second quarter of 2020, the business has continued to fulfil significant order delivery commitments, confirm and progress negotiations on new orders for delivery in the next 12 months.

Brexit has continued to help the business positively as the Group's customers seek to meet their delivery commitments.

The Company has seen a significant decrease in turnover as the exports were halted due to pandemic and caused disruptions to supply chain however the 2021 levels have reverted to pre-2020 resulting in increased profits.

The directors, having prepared cashflow forecasts to December 2022, including sensitivity analysis, expect an increase in revenue levels for 2021 and 2022, the forecast outlook the director's expectation that the business will continue to operate as a going concern for the foreseeable future. The Group and Company have obtained additional finance in 2020/21. The directors therefore believe that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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 when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10-20%
Motor vehicles	- 20-33%
Fixtures and fittings	- 10%
Equipment	- 20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on the historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these assumptions if other conditions in the market prevail. The estimates and assumptions that may have a significant effect on the carrying value of assets and liabilities within the financial year include:

- Tangible fixed assets are recognised at cost, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the associated residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.
- The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Directors consider the age of the debts and the financial position of its customers.

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Intragroup recharges receivable	300,659	-
Rent and associated income receivable	567,021	175,944
Government grants receivable	16,172	-
	<u>883,852</u>	<u>175,944</u>

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

6. Operating (loss)/profit

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

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Depreciation of tangible assets	697,560	707,676
Operating lease rentals	1,398,964	1,304,338
	<u> </u>	<u> </u>

7. Auditors' remuneration

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14,000	13,000
	<u> </u>	<u> </u>

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020

8. Employees

Staff costs, including directors' remuneration, were as follows:

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Wages and salaries	3,868,600	4,379,448
Social security costs	198,458	169,513
Cost of defined contribution scheme	58,099	56,016
	<u>4,125,157</u>	<u>4,604,977</u>

The average monthly number of employees, including the directors, during the period was as follows:

	1 January 2020 to 27 December 2020 No.	30 December 2018 to 31 December 2019 No.
Production staff	86	82
Administrative staff	6	3
Management staff	1	-
	<u>93</u>	<u>85</u>

9. Directors' remuneration

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Directors' emoluments	74,468	67,073
	<u>74,468</u>	<u>67,073</u>

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

10. Interest payable and similar expenses

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Interest on bank loans and overdrafts	68,529	114,480
Finance leases and hire purchase contracts	38,562	20,428
	<u>107,091</u>	<u>134,908</u>

11. Taxation

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
Corporation tax		
Adjustments in respect of previous periods	(20,834)	-
	<u>(20,834)</u>	<u>-</u>
Group taxation relief	-	127,689
	<u>(20,834)</u>	<u>127,689</u>
Total current tax	<u>(20,834)</u>	<u>127,689</u>
Deferred tax		
Origination and reversal of timing differences	25,399	1,032
Adjustments in respect of prior periods	-	(66,712)
Effect of tax rate change on opening balance	21,590	(21,469)
Total deferred tax	<u>46,989</u>	<u>(87,149)</u>
Taxation on profit on ordinary activities	<u>26,155</u>	<u>40,540</u>

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

11. Taxation (continued)**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	1 January 2020 to 27 December 2020 £	30 December 2018 to 31 December 2019 £
(Loss)/profit on ordinary activities before tax	(717,455)	544,965
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(136,316)	103,543
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,817	42,298
Fixed asset differences	3,802	11,492
Group relief claimed	43,109	(127,689)
Payment of group relief	-	127,689
Adjustments to tax charge in respect of previous periods	(20,834)	(66,712)
Adjust closing deferred tax to average rate of 19%	27,047	(21,590)
Deferred tax not recognised	99,530	(28,491)
Total tax charge for the period/year	26,155	40,540

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

12. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	6,991,330	189,260	865,786	8,046,376
Additions	113,851	13,664	8,975	136,490
Disposals	(1,719,510)	-	(518,373)	(2,237,883)
Transfers between classes	129,097	-	(129,097)	-
At 27 December 2020	5,514,768	202,924	227,291	5,944,983
Depreciation				
At 1 January 2020	3,282,918	99,146	621,779	4,003,843
Charge for the period on owned assets	591,775	20,178	85,607	697,560
Disposals	(1,430,430)	-	(518,373)	(1,948,803)
Transfers between classes	73,896	-	(73,896)	-
At 27 December 2020	2,518,159	119,324	115,117	2,752,600
Net book value				
At 27 December 2020	2,996,609	83,600	112,174	3,192,383
At 31 December 2019	3,708,412	90,114	244,007	4,042,533

13. Stocks

	27 December 2020 £	31 December 2019 £
Raw materials and consumables	88,329	85,697
	<u>88,329</u>	<u>85,697</u>

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

14. Debtors

	27 December 2020 £	31 December 2019 £
Trade debtors	2,502,667	3,265,164
Amounts owed by group undertakings	953,118	995,693
Other debtors	60,750	101,130
Prepayments and accrued income	622,339	534,164
	<u>4,138,874</u>	<u>4,896,151</u>

The provision for the year against trade debtors was £107,700 (2019: £389,357).

15. Cash and cash equivalents

	27 December 2020 £	31 December 2019 £
Cash at bank and in hand	36,851	480,965
	<u>36,851</u>	<u>480,965</u>

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

16. Creditors: Amounts falling due within one year

	27 December 2020 £	31 December 2019 £
Invoice discounting	1,286,698	2,798,071
Bank loans	247,099	227,298
Trade creditors	637,343	1,367,763
Amounts owed to group undertakings	2,431,571	865,705
Amounts owed to joint ventures	711,288	452,219
Corporation tax	-	148,523
Other taxation and social security	316,301	113,399
Obligations under finance lease and hire purchase contracts	247,060	312,971
Other creditors	40,019	36,776
Accruals and deferred income	338,030	793,384
	<u>6,255,409</u>	<u>7,116,109</u>

Invoice discounting balances are secured over the trade debtors up to a maximum limit of £8m (2019: £8m).

Bank loans are secured against assets within the Company.

The hire purchase agreements are secured on the assets to which they relate.

17. Creditors: Amounts falling due after more than one year

	27 December 2020 £	31 December 2019 £
Bank loans	-	247,471
Net obligations under finance leases and hire purchase contracts	128,271	372,388
	<u>128,271</u>	<u>619,859</u>

Bank loans are secured against assets within the Company.

The hire purchase agreements are secured on the assets to which they relate.

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020

18. Deferred taxation

	2020 £
At beginning of year	(183,513)
Charged to profit or loss	(46,989)
At end of year	(230,502)

The provision for deferred taxation is made up as follows:

	27 December 2020 £	31 December 2019 £
Accelerated capital allowances	(231,675)	(183,989)
Short term timing differences	1,173	476
	(230,502)	(183,513)

19. Share capital

	27 December 2020 £	As restated 31 December 2019 £
Allotted, called up and fully paid		
222,222 (2019 - 222,222) Ordinary shares shares of £1.00 each	222,222	222,222

20. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses.

MAGNAVALE CHESTERFIELD LTD (FORMERLY KNOWN AS RICK BESTWICK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

21. Prior year adjustment

The comparative figures in the financial statements have been restated to correct the presentation of different line items within equity. This had no effect on the aggregate reserves as at 31 December 2019.

Adjustments to the financial statements for the period ended 31 December 2019 are as follows.

	Prior year £	Adjustment £	Restated £
Statement of Financial Position			
Called up share capital	600,000	(377,778)	222,222
Share premium account	-	377,778	377,778

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £58,099 (2019: £56,016). Contributions totaling £6,175 (2019: £7,474) were payable to the fund at the reporting date and are included in creditors.

23. Commitments under operating leases

At 27 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	27 December 2020 £	31 December 2019 £
Not later than 1 year	1,682,843	1,399,000
Later than 1 year and not later than 5 years	5,507,174	6,728,000
Later than 5 years	-	458,000
	<u>7,190,017</u>	<u>8,585,000</u>

24. Related party transactions

Transactions with the companies within the group headed by Magnavale Limited are not disclosed on the basis that the Company is wholly owned and included in the consolidated accounts of Magnavale Limited.

During the period the following transactions took place with other entities under common control:

Purchases in the period amounted to £3,968,430 (2019: £3,800,009). The balance outstanding at the period end was £711,288 (2019: £452,219).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

25. Controlling party

The ultimate parent company is AlphaBeta (International) Limited, a company incorporated in Gibraltar. The immediate parent entity is Magnavale Limited, a company incorporated in England and Wales. Magnavale Limited is the largest and the smallest group of undertakings that prepares consolidated financial statements, which are available from Companies House.

The ultimate controlling party is S A Lawrence, a director, by virtue of his shareholding in the ultimate parent entities.