

Registration number: 02860574

Barron Wood Distribution Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2019



Barron Wood Distribution Limited

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Barron Wood Distribution Limited

Company Information

Directors

- Mr D J Lyon
- Mr J S McDougall
- Mrs J Fairbrother
- Mr J M Fairbrother
- Mrs V Fairbrother
- Mr D T Fairbrother
- Mrs L S Wright

Company secretary Mr J M Fairbrother

Registered office

- Brook Lane
- Much Hoole
- Preston
- Lancashire
- PR4 5JB

Auditors

- Haleys Business Advisers Limited
- Thomas House
- Meadowcroft Business Park
- Pope Lane
- Whitestake
- Lancashire
- PR4 4AZ

Registered number 02860574 (England and Wales)

Barron Wood Distribution Limited

Strategic Report for the Year Ended 31 October 2019

The directors present their strategic report for the year ended 31 October 2019.

Principal activity

The principal activity of the company is that of haulage and distribution services.

Fair review of the business

The directors are pleased to report another successful result for the company during the year to 31 October 2019 despite a small reduction in turnover and profit before taxation.

Turnover of the company reduced by 0.73% to £73,985,056 (2018: £74,527,262) during the year and profit before taxation fell by 6.56% to £5,002,126 (2018: £5,353,221).

The liquidity of the business remains positive and has enabled the directors to approve the payment of dividends amounting to £3,083,924. The business continues to operate without the need for bank borrowing facilities.

The company continues to look for new opportunities to develop the trade of the business and continue to expand and diversify the customer base.

The directors regard this, along with the loyal and hard working staff of the company and the strengthening of the senior management team in the year as being key to the company's success in the medium to long term.

Barron Wood Distribution Limited

Strategic Report for the Year Ended 31 October 2019 (continued)

Principal risks and uncertainties

Competition

The company provides a bespoke service and whilst there is a competitive risk from other companies, the directors believe that the quality of their service and reputation in the marketplace counteract this risk.

Reduction in Business Activity

The company, like any other business, is exposed to a risk of downturn in its particular sector. The directors pro-actively monitor performance on an ongoing basis and implement alternative strategies as necessary.

The directors consider their hands on involvement in running the business helps mitigate this exposure.

Future developments

The directors have committed to expanding the company's operations in the UK and Europe in the medium to long term.

Research and development

The company has undertaken research and development activities during the year relating to improving the efficiencies of their internal procedures. A significant amount of time has been spent by the directors to improve the company's performance in this area and they believe that this performance will enhance the company's efficiency and, in turn, increase the company's profitability in the future years.

Approved by the Board on 12 October 2020 and signed on its behalf by:



.....
Mr J W Fairbrother
Company secretary and director

Barron Wood Distribution Limited

Directors' Report for the Year Ended 31 October 2019

The directors present their report and the financial statements for the year ended 31 October 2019.

Directors of the company

The directors who held office during the year were as follows:

Mr D J Lyon

Mr R F McCord (resigned 31 July 2020)

Mr J S McDougall

Mrs J Fairbrother

Mr J M Fairbrother - Company secretary and director

Mrs V Fairbrother

Mr D T Fairbrother

Mrs L S Wright

Financial instruments

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Particulars of dividends paid are detailed in the notes to the financial statements.

Barron Wood Distribution Limited

Directors' Report for the Year Ended 31 October 2019 (continued)

Price risk, credit risk, liquidity risk and cash flow risk

Credit risk

The company's principle financial asset is trade debtors and the company's credit risk is primarily attributed to its trade debtors. The amounts presented in the balance sheet are net of all provisions for doubtful debts.

The company's objective is to minimise the level of doubtful debts and its policy is to deal with what it considers to be credit worthy customers and credit control mechanisms are in place to achieve this. The company's exposure is also spread over a large number of customers.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. The company manages this through careful monitoring of the foreign exchange rates.

Barron Wood Distribution Limited

Directors' Report for the Year Ended 31 October 2019 (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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). 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 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.

Barron Wood Distribution Limited

Directors' Report for the Year Ended 31 October 2019 (continued)

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 she or he 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.

Approved by the Board on 12 October 2020 and signed on its behalf by:


.....
Mr J M Fairbrother
Company secretary and director

Barron Wood Distribution Limited

Independent Auditor's Report to the Members of Barron Wood Distribution Limited

Opinion

We have audited the financial statements of Barron Wood Distribution Limited (the 'company') for the year ended 31 October 2019, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 October 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Barron Wood Distribution Limited

Independent Auditor's Report to the Members of Barron Wood Distribution Limited (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

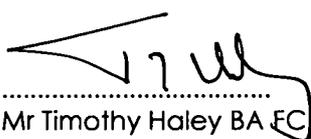
Barron Wood Distribution Limited

Independent Auditor's Report to the Members of Barron Wood Distribution Limited (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Mr Timothy Haley BA FCA (Senior Statutory Auditor)
For and on behalf of Haleys Business Advisers Limited, Statutory Auditor

Thomas House
Meadowcroft Business Park
Pope Lane
Whitestake
Lancashire
PR4 4AZ

12 October 2020

Barron Wood Distribution Limited**Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 October 2019**

	Note	2019 £	2018 £
Turnover	3	73,985,056	74,527,262
Cost of sales		<u>(62,045,342)</u>	<u>(62,897,402)</u>
Gross profit		11,939,714	11,629,860
Administrative expenses		(6,969,977)	(6,358,546)
Other operating income	4	<u>21,461</u>	<u>39,136</u>
Operating profit	5	<u>4,991,198</u>	<u>5,310,450</u>
Other interest receivable and similar income	6	12,802	43,061
Interest payable and similar charges	7	<u>(1,874)</u>	<u>(290)</u>
		<u>10,928</u>	<u>42,771</u>
Profit before tax		5,002,126	5,353,221
Taxation	10	<u>(988,500)</u>	<u>(1,018,302)</u>
Profit for the financial year		4,013,626	4,334,919
Retained earnings brought forward		8,637,215	6,246,081
Dividends paid		<u>(3,083,924)</u>	<u>(1,943,785)</u>
Retained earnings carried forward		<u><u>9,566,917</u></u>	<u><u>8,637,215</u></u>

The notes on pages 15 to 29 form an integral part of these financial statements.

Barron Wood Distribution Limited
(Registration number: 02860574)
Balance Sheet as at 31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	2,470,586	2,522,655
Current assets			
Debtors	12	15,330,338	14,840,447
Cash at bank and in hand		<u>5,073,232</u>	<u>2,778,155</u>
		20,403,570	17,618,602
Creditors: Amounts falling due within one year	14	<u>(13,184,639)</u>	<u>(11,363,930)</u>
Net current assets		<u>7,218,931</u>	<u>6,254,672</u>
Total assets less current liabilities		9,689,517	8,777,327
Provisions for liabilities	15	<u>(21,480)</u>	<u>(38,992)</u>
Net assets		<u><u>9,668,037</u></u>	<u><u>8,738,335</u></u>
Capital and reserves			
Called up share capital		101,008	101,008
Share premium reserve	18	112	112
Profit and loss account	18	<u>9,566,917</u>	<u>8,637,215</u>
Shareholders' funds		<u><u>9,668,037</u></u>	<u><u>8,738,335</u></u>

Approved and authorised for issue by the Board on 12 October 2020 and signed on its behalf by:



 Mr J M Fairbrother
 Company secretary and director

Barron Wood Distribution Limited**Statement of Changes in Equity for the Year Ended 31 October 2019**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 November 2018	101,008	112	8,637,215	8,738,335
Profit for the year	-	-	4,013,626	4,013,626
Dividends	-	-	(3,083,924)	(3,083,924)
At 31 October 2019	<u>101,008</u>	<u>112</u>	<u>9,566,917</u>	<u>9,668,037</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 November 2017	101,008	112	6,246,081	6,347,201
Profit for the year	-	-	4,334,919	4,334,919
Dividends	-	-	(1,943,785)	(1,943,785)
At 31 October 2018	<u>101,008</u>	<u>112</u>	<u>8,637,215</u>	<u>8,738,335</u>

The notes on pages 15 to 29 form an integral part of these financial statements.

Barron Wood Distribution Limited**Statement of Cash Flows for the Year Ended 31 October 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		4,013,626	4,334,919
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	106,454	106,754
Profit on disposal of tangible assets		-	(1,768)
Finance income	6	(12,802)	(43,061)
Finance costs	7	-	205
Corporation tax expense	10	988,500	1,018,302
		<u>5,095,778</u>	<u>5,415,351</u>
Working capital adjustments			
Increase in trade debtors	12	(489,891)	(150,459)
Increase in trade creditors	14	1,923,365	106,772
Cash generated from operations		<u>6,529,252</u>	<u>5,371,664</u>
Corporation tax paid	10	<u>(1,108,669)</u>	<u>(905,274)</u>
Net cash flow from operating activities		<u>5,420,583</u>	<u>4,466,390</u>
Cash flows from investing activities			
Interest received	6	12,802	43,061
Acquisitions of tangible assets		(54,384)	(2,221,905)
Proceeds from sale of tangible assets		-	8,500
Net cash flows from investing activities		<u>(41,582)</u>	<u>(2,170,344)</u>
Cash flows from financing activities			
Interest paid	7	-	(205)
Dividends paid		<u>(3,083,924)</u>	<u>(1,943,785)</u>
Net cash flows from financing activities		<u>(3,083,924)</u>	<u>(1,943,990)</u>
Net increase in cash and cash equivalents		2,295,077	352,056
Cash and cash equivalents at 1 November		<u>2,778,155</u>	<u>2,426,099</u>
Cash and cash equivalents at 31 October		<u>5,073,232</u>	<u>2,778,155</u>

The notes on pages 15 to 29 form an integral part of these financial statements.

Barron Wood Distribution Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Brook Lane
Much Hoole
Preston
Lancashire
PR4 5JB
United Kingdom

These financial statements were authorised for issue by the Board on 12 October 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

Revenue recognition

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, this is on the date that the company's proof of delivery is signed by the customer and the customer is in receipt of their goods. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2 Accounting policies (continued)

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Tangible fixed assets

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

Asset class	Depreciation method and rate
Freehold property	Not depreciated
Leasehold property improvements	20% Straight line
Office equipment	25% Reducing balance
Motor vehicles	25% Reducing balance
Computer equipment	33% Straight line

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the lease agreement expires.

Rents receivable on the freehold investment property under the terms of the operating lease are included in the profit and loss account on a receivable basis.

Pension costs and other post-retirement benefits

The Company operates defined contribution pension plans 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 the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2 Accounting policies (continued)

Financial instruments

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

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

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

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

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

Employee benefits

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

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

Barron Wood Distribution Limited

Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)

2 Accounting policies (continued)

Judgements

No significant judgements have had to be made by management and directors in preparing these financial statements.

Key sources of estimation uncertainty

(a) Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(b) Bad Debt

The company reviews all trade debtors regularly and considers factors including ageing profile and historical experience to assess whether a provision is necessary. Any provision is charged to the profit and loss account in the year in which it is made.

(c) Leases

In categorising leases as finance leases or operating leases, management make judgements as to whether the significant risks and rewards of ownership have transferred to company as lessee.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019	2018
	£	£
Rendering of services	<u>73,985,056</u>	<u>74,527,262</u>

The analysis of the company's turnover for the year by market is as follows:

	2019	2018
	£	£
UK	64,869,696	66,408,784
Europe	<u>9,115,360</u>	<u>8,118,478</u>
	<u>73,985,056</u>	<u>74,527,262</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019	2018
	£	£
Rents receivable	<u>21,461</u>	<u>39,136</u>

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)**

5 Operating profit

Arrived at after charging/(crediting)

	2019	2018
	£	£
Depreciation expense	106,454	106,754
Profit on disposal of property, plant and equipment	-	(1,768)
	<u>106,454</u>	<u>104,986</u>

6 Other interest receivable and similar income

	2019	2018
	£	£
Other finance income	12,802	43,061
	<u>12,802</u>	<u>43,061</u>

7 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	-	205
Foreign exchange (gains) / losses	1,874	85
	<u>1,874</u>	<u>290</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019	2018
	£	£
Wages and salaries	4,915,805	4,626,502
Social security costs	500,890	466,221
Pension costs, defined contribution scheme	419,626	278,440
Other employee expense	49,992	62,933
	<u>5,886,313</u>	<u>5,434,096</u>

Barron Wood Distribution Limited

Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)

8 Staff costs (continued)

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019	2018
	No.	No.
Key management	8	8
Administration and support	140	137
	<u>148</u>	<u>145</u>

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)**

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	116,962	115,501
Contributions paid to money purchase schemes for 3 Directors	28,500	27,998
	<u>145,462</u>	<u>143,499</u>

10 Taxation

Tax charged/(credited) in the income statement

	2019	2018
	£	£
Current taxation		
UK corporation tax	969,146	1,012,871
UK corporation tax adjustment to prior periods	36,866	-
	<u>1,006,012</u>	<u>1,012,871</u>
Deferred taxation		
Arising from changes in tax rates and laws	(17,512)	5,431
Tax expense in the income statement	<u>988,500</u>	<u>1,018,302</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)**

10 Taxation (continued)

	2019	2018
	£	£
Profit before tax	<u>5,002,126</u>	<u>5,353,221</u>
Corporation tax at standard rate	950,404	1,017,112
Effect of expense not deductible in determining taxable profit (tax loss)	1,743	1,067
Deferred tax (credit)/expense relating to changes in tax rates or laws	(17,512)	5,431
Tax increase/(decrease) from effect of capital allowances and depreciation	16,999	(5,308)
Tax increase from effect of adjustment in research and development tax credit	<u>36,866</u>	<u>-</u>
Total tax charge	<u><u>988,500</u></u>	<u><u>1,018,302</u></u>

Barron Wood Distribution Limited

Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)

11 Tangible assets

	Freehold property £	Leasehold property improvements £	Computer equipment £	Motor vehicles and other assets £	Office equipment £	Total £
Cost or valuation						
At 1 November 2018	2,252,229	26,730	768,166	46,090	391,294	3,484,509
Additions	49,624	-	2,808	1,562	390	54,384
At 31 October 2019	<u>2,301,853</u>	<u>26,730</u>	<u>770,974</u>	<u>47,652</u>	<u>391,684</u>	<u>3,538,893</u>
Depreciation						
At 1 November 2018	-	26,730	600,630	9,998	324,496	961,854
Charge for the year	-	-	80,041	9,023	17,389	106,453
At 31 October 2019	<u>-</u>	<u>26,730</u>	<u>680,671</u>	<u>19,021</u>	<u>341,885</u>	<u>1,068,307</u>
Carrying amount						
At 31 October 2019	<u>2,301,853</u>	<u>-</u>	<u>90,303</u>	<u>28,631</u>	<u>49,799</u>	<u>2,470,586</u>
At 31 October 2018	<u>2,252,229</u>	<u>-</u>	<u>167,536</u>	<u>36,092</u>	<u>66,798</u>	<u>2,522,655</u>

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)****11 Tangible assets (continued)****Freehold property**

FRS 102 requires depreciation to be provided on freehold property. The directors' opinion is that the annual depreciation charge and accumulated depreciation are not material due to a long estimated remaining useful life and high residual value. Depreciation is not charged on the freehold property and an impairment review is undertaken at the end of each reporting period.

12 Debtors

	2019 £	2018 £
Trade debtors	13,756,521	13,035,008
Other debtors	462,584	524,688
Prepayments and accrued income	1,111,233	1,280,751
	<u>15,330,338</u>	<u>14,840,447</u>

13 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>5,073,232</u>	<u>2,778,155</u>

14 Creditors

	2019 £	2018 £
Due within one year		
Trade creditors	8,761,344	7,158,399
Other taxation and social security	877,945	745,469
Other creditors	624,845	455,157
Accruals and deferred income	2,417,070	2,398,813
Corporation tax	503,435	606,092
	<u>13,184,639</u>	<u>11,363,930</u>

15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 November 2018	38,992	38,992
Movement in accelerated capital allowances	<u>(17,512)</u>	<u>(17,512)</u>
At 31 October 2019	<u>21,480</u>	<u>21,480</u>

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)**

16 Pension and other schemes**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £419,626 (2018 - £278,440).

All amounts were paid during the year.

17 Share capital**Allotted, called up and fully paid shares**

	2019		2018	
	No.	£	No.	£
Preferred non voting of £1 each	100,008	100,008	100,008	100,008
A Ordinary voting of £0.01 each	51,003	510.03	51,003	510.03
B Ordinary voting of £0.01 each	49,003	490.03	49,003	490.03
C Ordinary voting of £0.01 each	1	0.01	1	0.01
D Ordinary voting of £0.01 each	1	0.01	1	0.01
	<u>200,016</u>	<u>101,008</u>	<u>200,016</u>	<u>101,008</u>

Rights, preferences and restrictions

Preferred shares have no right to vote, receive notice of or attend general meetings of the company. Preferred shares have no right to receive dividends unless agreed by the holders of A Ordinary shares and B Ordinary shares. Preferred shares have a preferred right to receive distributions and capital return of up to £25million. Preferred shares are not to be redeemed or liable to be redeemed.

Each Ordinary A,B, C and D share is entitled to one vote in any circumstances. Each shares is entitled pari passu to dividend payment or any other distribution. Each share is entitled pari passu to participate in a distribution of capital including any distribution arising from a winding up of the company. The shares are not redeemable nor are they liable to be redeemed.

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)**

18 Reserves

Profit and loss account

Profit and loss account represents accumulated profits for the current and prior periods. The balance is fully distributable.

Share premium

Amounts contained within the share premium account represent amounts paid over and above the par value of share capital.

19 Obligations under leases and hire purchase contracts**Operating leases**

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Not later than one year	103,667	114,500
Later than one year and not later than five years	<u>66,250</u>	<u>169,917</u>
	<u>169,917</u>	<u>284,417</u>

Amounts included within commitments under operating leases due in more than one year but less than five years comprise rental commitments on property. The rent over the life of these agreements is naturally high as the company enters into lease agreements for periods of 5 years. The average lease commitment remaining at the balance sheet date was 1-2 years.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £165,800 (2018 - £165,300).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Later than one year and not later than five years	21,341	21,341

Total contingent rents recognised as income in the period are £Nil (2018 - £Nil).

Barron Wood Distribution Limited

Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)

20 Related party transactions

Key management compensation

	2019	2018
	£	£
Salaries and other short term employee benefits	122,411	115,501
Post-employment benefits	<u>23,050</u>	<u>27,998</u>
	<u><u>145,461</u></u>	<u><u>143,499</u></u>

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)**

20 Related party transactions (continued)**Expenditure with and payables to related parties**

	Other related parties
	£
2019	
Leases	114,500
Payment of dividends	<u>3,083,924</u>
	<u><u>3,198,424</u></u>

	Other related parties
	£
2018	
Leases	166,120
Payment of dividends	<u>1,943,785</u>
	<u><u>2,109,905</u></u>

Loans to related parties

	Other related parties
	£
2019	
At start of period	496,348
Advanced and repaid	45,000
Repaid	<u>(121,576)</u>
At end of period	<u><u>419,772</u></u>

	Other related parties	Total
	£	£
2018		
At start of period	497,557	497,557
Advanced	34,791	34,791
Repaid	<u>(36,000)</u>	<u>(36,000)</u>
At end of period	<u><u>496,348</u></u>	<u><u>496,348</u></u>

Barron Wood Distribution Limited**Notes to the Financial Statements for the Year Ended 31 October 2019 (continued)**

20 Related party transactions (continued)**Loans from related parties**

	Key management £	Other related parties £	Total £
2019			
At start of period	443,963	-	443,963
Advanced	2,510,909	3,083,925	5,594,834
Repaid	<u>(2,361,823)</u>	<u>(3,083,925)</u>	<u>(5,445,748)</u>
At end of period	<u>593,049</u>	<u>-</u>	<u>593,049</u>

	Key management £	Other related parties £	Total £
2018			
At start of period	648,552	-	648,552
Advanced	1,529,401	1,943,785	3,473,186
Repaid	<u>(1,733,990)</u>	<u>(1,943,785)</u>	<u>(3,677,775)</u>
At end of period	<u>443,963</u>	<u>-</u>	<u>443,963</u>