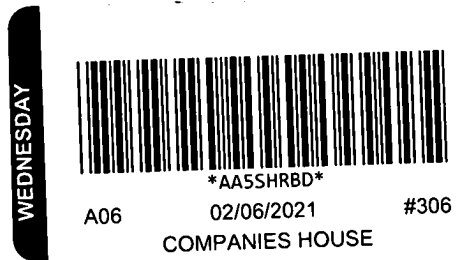


Registration number: 02860574

# Barron Wood Distribution Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2020



## **Barron Wood Distribution Limited**

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## **Barron Wood Distribution Limited**

### **Company Information**

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#### **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  
Mr A M Vickers

**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 2020**

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

#### **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 2020 despite the interruption and uncertainty caused by covid-19 and the challenges this has caused.

Whilst turnover of the company reduced by 5.17% to £70,158,496 (2019: £73,985,056) during the year, however profit before taxation increased by 14.7% to £5,736,678 (2019: £5,002,126).

The liquidity of the business remains positive and has enabled the directors to approve the payment of dividends amounting to £1,557,347. 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 2020 (continued)**

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**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**

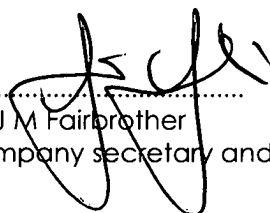
The company, like any other business, is exposed to a risk of downturn in its particular sector. The directors pro-actively monitor performance on an ongoing basis and implement alternative strategies as necessary.

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.

Approved by the Board on 12 May 2021 and signed on its behalf by:

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

## **Barron Wood Distribution Limited**

### **Directors' Report for the Year Ended 31 October 2020**

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The directors present their report and the financial statements for the year ended 31 October 2020.

#### **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

The following director was appointed after the year end:

Mr A M Vickers (appointed 10 May 2021)

#### **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 2020 (continued)**

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***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 2020 (continued)**

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**Statement of Directors' Responsibilities**

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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 2020 (continued)**

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**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.

**Environmental report**

**Emissions and energy consumption**

Summary of greenhouse gas emissions and energy consumption for the year ended 31 October 2020:

<b>Name and description</b>	<b>2020</b>
Energy consumption used to calculate emissions (kWh)	168,792
Emissions from combustion of gas Co2 (Scope 1)	-
Emissions from combustion of fuel for transport purposes Co2 (Scope 1)	-
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel Co2 (Scope 3)	-
Emissions from purchased electricity Co2 (Scope 2, location based)	39,352
Emissions from purchased electricity Co2 (Scope 2, market based)	-
Total gross Co2 based on above	39,352
Intensity ratio (kgCo2e / sales revenue £m) detailed below	

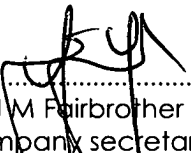
**Intensity ratio**

During the year ended 31 October 2020 this was 0.00056% (2019 - 0.00%).

**Engagement with suppliers, customers and other relationships**

Maintaining good relationships with our supplier partners remains critical to our own business performance. Our supplier partners provide us with the tools and services we need to deliver for our customers and our supplier partners rose successfully to the challenge caused by Covid-19.

Approved by the Board on 12 May 2021 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**

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#### **Opinion**

We have audited the financial statements of Barron Wood Distribution Limited (the 'company') for the year ended 31 October 2020, 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

#### **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.

## **Barron Wood Distribution Limited**

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

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#### **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 auditor's 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.

#### **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](http://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:

## **Barron Wood Distribution Limited**

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

- 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.
- 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.

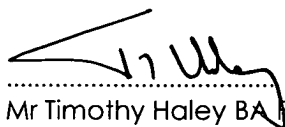
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Barron Wood Distribution Limited**

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

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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 May 2021

**Barron Wood Distribution Limited****Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 October 2020**

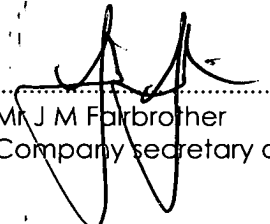
	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Turnover	3	70,158,496	73,985,056
Cost of sales		<u>(58,265,516)</u>	<u>(62,045,342)</u>
Gross profit		11,892,980	11,939,714
Administrative expenses		<u>(6,741,687)</u>	<u>(6,969,977)</u>
Other operating income	4	<u>546,827</u>	<u>21,461</u>
Operating profit	5	<u>5,698,120</u>	<u>4,991,198</u>
Other interest receivable and similar income	7	12,417	12,802
Interest payable and similar charges	8	<u>26,141</u>	<u>(1,874)</u>
		<u>38,558</u>	<u>10,928</u>
Profit before tax		5,736,678	5,002,126
Taxation	12	<u>(1,095,134)</u>	<u>(988,500)</u>
Profit for the financial year		4,641,544	4,013,626
Retained earnings brought forward		9,566,918	8,637,215
Dividends paid		<u>(1,557,347)</u>	<u>(3,083,924)</u>
Retained earnings carried forward		<u><u>12,651,115</u></u>	<u><u>9,566,917</u></u>

The notes on pages 16 to 29 form an integral part of these financial statements.

**Barron Wood Distribution Limited****(Registration number: 02860574)****Balance Sheet as at 31 October 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	2,496,107	2,470,586
<b>Current assets</b>			
Debtors	14	13,154,077	15,330,338
Cash at bank and in hand		<u>10,868,448</u>	<u>5,073,232</u>
		24,022,525	20,403,570
<b>Creditors: Amounts falling due within one year</b>	16	<u>(13,758,255)</u>	<u>(13,184,639)</u>
<b>Net current assets</b>		<u>10,264,270</u>	<u>7,218,931</u>
<b>Total assets less current liabilities</b>		12,760,377	9,689,517
<b>Provisions for liabilities</b>	17	<u>(8,142)</u>	<u>(21,480)</u>
<b>Net assets</b>		<u>12,752,235</u>	<u>9,668,037</u>
<b>Capital and reserves</b>			
Called up share capital		101,008	101,008
Share premium reserve	20	112	112
Profit and loss account	20	<u>12,651,115</u>	<u>9,566,917</u>
Shareholders' funds		<u>12,752,235</u>	<u>9,668,037</u>

Approved and authorised for issue by the Board on 12 May 2021 and signed on its behalf by:



Mr J M Fairbrother  
Company secretary and director

The notes on pages 16 to 29 form an integral part of these financial statements.

**Barron Wood Distribution Limited****Statement of Changes in Equity for the Year Ended 31 October 2020**

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	<b>Share capital</b> £	<b>Share premium</b> £	<b>Profit and loss account</b> £	<b>Total</b> £
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>

	<b>Share capital</b> £	<b>Share premium</b> £	<b>Profit and loss account</b> £	<b>Total</b> £
At 1 November 2019	101,008	112	9,566,918	9,668,038
Profit for the year	-	-	4,641,544	4,641,544
Dividends	-	-	(1,557,347)	(1,557,347)
At 31 October 2020	<u>101,008</u>	<u>112</u>	<u>12,651,115</u>	<u>12,752,235</u>

The notes on pages 16 to 29 form an integral part of these financial statements.



**Barron Wood Distribution Limited****Statement of Cash Flows for the Year Ended 31 October 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		4,641,544	4,013,626
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	99,370	106,454
Finance income	7	(12,417)	(12,802)
Finance costs	8	1,473	-
Corporation tax expense	12	1,095,134	988,500
		<u>5,825,104</u>	<u>5,095,778</u>
Working capital adjustments			
Decrease/(increase) in trade debtors	14	2,176,261	(489,891)
Increase in trade creditors	16	310,942	1,923,365
Cash generated from operations		8,312,307	6,529,252
Corporation tax paid	12	(845,797)	(1,108,669)
Net cash flow from operating activities		<u>7,466,510</u>	<u>5,420,583</u>
<b>Cash flows from investing activities</b>			
Interest received	7	12,417	12,802
Acquisitions of tangible assets		(126,453)	(54,384)
Proceeds from sale of tangible assets		1,562	-
Net cash flows from investing activities		<u>(112,474)</u>	<u>(41,582)</u>
<b>Cash flows from financing activities</b>			
Interest paid	8	(1,473)	-
Dividends paid		(1,557,347)	(3,083,924)
Net cash flows from financing activities		<u>(1,558,820)</u>	<u>(3,083,924)</u>
Net increase in cash and cash equivalents		5,795,216	2,295,077
Cash and cash equivalents at 1 November		<u>5,073,232</u>	<u>2,778,155</u>
Cash and cash equivalents at 31 October		<u>10,868,448</u>	<u>5,073,232</u>

The notes on pages 16 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 2020**

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#### **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 May 2021.

#### **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.

##### **Government grants**

The company recognises government grants on the accruals model under FRS102.

Grants that compensate the company for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

## **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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
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. As 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 2020 (continued)

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## 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. The carrying amount is £2,496,107 (2019 -£2,470,586).

#### (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:

	2020 £	2019 £
Rendering of services	<u>70,158,496</u>	<u>73,985,056</u>

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

	2020 £	2019 £
UK	62,471,015	64,869,696
Europe	<u>7,687,481</u>	<u>9,115,360</u>
	<u>70,158,496</u>	<u>73,985,056</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)**

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**4 Other operating income**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Government grants	514,588	-
Rents receivable	32,239	21,461
	<u>546,827</u>	<u>21,461</u>

**5 Operating profit**

Arrived at after charging/(crediting)

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation expense	<u>99,370</u>	<u>106,454</u>

**6 Government grants**

During the year, the company received governments grants relating to the Coronavirus Job Retention Scheme.

The amount of grants recognised in the financial statements was £514,588 (2019 - £Nil).

**7 Other interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other finance income	<u>12,417</u>	<u>12,802</u>

**8 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and borrowings	3	-
Interest expense on other finance liabilities	1,470	-
Foreign exchange (gains) / losses	(27,614)	1,874
	<u>(26,141)</u>	<u>1,874</u>

**9 Staff costs**

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

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)****9 Staff costs (continued)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,846,185	4,915,805
Social security costs	490,586	500,890
Pension costs, defined contribution scheme	450,598	419,626
Other employee expense	52,527	49,992
	<u>5,839,896</u>	<u>5,886,313</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Key management	11	8
Administration and support	131	140
	<u>142</u>	<u>148</u>

**10 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration	118,859	116,962
Contributions paid to money purchase schemes for 3 Directors	28,888	28,500
	<u>147,747</u>	<u>145,462</u>

**11 Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>8,250</u>	<u>8,000</u>
<b>Other fees to auditors</b>		
Taxation compliance services	5,535	5,885
All other non-audit services	39,268	33,462
	<u>44,803</u>	<u>39,347</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)**

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**12 Taxation**

Tax charged/(credited) in the income statement

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Current taxation</b>		
UK corporation tax	1,108,472	969,146
UK corporation tax adjustment to prior periods	-	36,866
	<u>1,108,472</u>	<u>1,006,012</u>
<b>Deferred taxation</b>		
Arising from changes in tax rates and laws	<u>(13,338)</u>	<u>(17,512)</u>
Tax expense in the income statement	<u><u>1,095,134</u></u>	<u><u>988,500</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Profit before tax	<u>5,736,678</u>	<u>5,002,126</u>
Corporation tax at standard rate	1,089,969	950,404
Effect of expense not deductible in determining taxable profit (tax loss)	5,462	1,743
Deferred tax credit relating to changes in tax rates or laws	(13,338)	(17,512)
Tax increase from effect of capital allowances and depreciation	13,041	16,999
Tax increase from effect of adjustment in research and development tax credit	-	36,866
Total tax charge	<u><u>1,095,134</u></u>	<u><u>988,500</u></u>



**Barron Wood Distribution Limited**

**Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)**

**13 Tangible assets**

	Freehold property £	Leasehold property improvements £	Computer equipment £	Motor vehicles and other assets £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 November 2019	2,301,853	26,730	770,974	47,652	391,684	3,538,893
Additions	105,743	-	20,085	-	625	126,453
Disposals	-	-	-	(1,562)	-	(1,562)
At 31 October 2020	<u>2,407,596</u>	<u>26,730</u>	<u>791,059</u>	<u>46,090</u>	<u>392,309</u>	<u>3,663,784</u>
<b>Depreciation</b>						
At 1 November 2019	-	26,730	680,671	19,021	341,885	1,068,307
Charge for the year	-	-	79,326	6,767	13,277	99,370
At 31 October 2020	-	<u>26,730</u>	<u>759,997</u>	<u>25,788</u>	<u>355,162</u>	<u>1,167,677</u>
<b>Carrying amount</b>						
At 31 October 2020	<u>2,407,596</u>	-	<u>31,062</u>	<u>20,302</u>	<u>37,147</u>	<u>2,496,107</u>
At 31 October 2019	<u>2,301,853</u>	-	<u>90,303</u>	<u>28,631</u>	<u>49,799</u>	<u>2,470,586</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)****13 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.

**14 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	12,090,064	13,756,521
Other debtors	74,482	462,584
Prepayments and accrued income	989,531	1,111,233
	<u>13,154,077</u>	<u>15,330,338</u>

**15 Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank	<u>10,868,448</u>	<u>5,073,232</u>

**16 Creditors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade creditors	8,430,296	8,761,344
Other taxation and social security	1,759,740	877,945
Other creditors	539,737	624,845
Accruals and deferred income	2,262,372	2,417,070
Corporation tax	766,110	503,435
	<u>13,758,255</u>	<u>13,184,639</u>

**17 Deferred tax and other provisions**

	<b>Deferred tax</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 November 2019	21,480	21,480
Movement in accelerated capital allowances	<u>(13,338)</u>	<u>(13,338)</u>
At 31 October 2020	<u>8,142</u>	<u>8,142</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)**

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**18 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 £450,598 (2019 - £419,626).

All amounts were paid during the year.

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

	2020		2019	
	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.

**20 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**

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)**

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**20 Reserves (continued)**

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

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

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	78,242	103,667
Later than one year and not later than five years	10,000	66,250
	<u>88,242</u>	<u>169,917</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 £103,667 (2019 - £165,800).

**Operating leases - lessor**

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	32,239	-
Later than one year and not later than five years	56,000	21,341
Later than five years	10,000	-
	<u>98,239</u>	<u>21,341</u>

Total contingent rents recognised as income in the period are £Nil (2019 - £Nil).

**22 Other long-term employment and termination benefits****Termination benefits****Redundancy payments**

The company draws no economic benefits from the termination payments. As a result, redundancy costs are recognised in profit or loss immediately once the company is demonstrably committed to terminate employment or make payment due to an offer made to encourage redundancy.

The amount of the obligation is 7,532 (2019 - Nil). The extent of funding at the reporting date is Nil (2019 - Nil).

**Barron Wood Distribution Limited**

**Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)**

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**23 Related party transactions**

**Key management compensation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salaries and other short term employee benefits	118,860	122,411
Post-employment benefits	<u>28,889</u>	<u>23,050</u>
	<u><u>147,749</u></u>	<u><u>145,461</u></u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)****23 Related party transactions (continued)****Expenditure with and payables to related parties**

	<b>Other related parties</b>
	<b>£</b>
<b>2020</b>	
Leases	103,667
Payment of dividends	1,557,347
	<u>1,661,014</u>

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

**Loans to related parties**

	<b>Other related parties</b>
	<b>£</b>
<b>2020</b>	
At start of period	419,772
Repaid	<u>(420,000)</u>
At end of period	<u>(228)</u>

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

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2020 (continued)**

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

	<b>Key management £</b>	<b>Other related parties £</b>	<b>Total £</b>
<b>2020</b>			
At start of period	593,049	-	593,049
Advanced	1,232,904	1,557,347	2,790,251
Repaid	<u>(1,389,391)</u>	<u>(1,557,347)</u>	<u>(2,946,738)</u>
At end of period	<u>436,562</u>	<u>-</u>	<u>436,562</u>
	<b>Key management £</b>	<b>Other related parties £</b>	<b>Total £</b>
<b>2019</b>			
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>