REGISTERED NUMBER: 03031502

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

FOR

BENFLEET SCRAP CO LIMITED

The Carley Partnership
Statutory Auditor
St James's House
8 Overcliffe
Gravesend
Kent
DA11 0HJ

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2019

DIRECTOR:	R B Leeman
SECRETARY:	L B Leeman
REGISTERED OFFICE:	St James's House 8 Overcliffe Gravesend Kent United Kingdom DA11 0HJ
REGISTERED NUMBER:	03031502
AUDITORS:	The Carley Partnership Statutory Auditor St James's House 8 Overcliffe Gravesend Kent DA11 0HJ
BANKERS:	Lloyds TSB Bank plc 34 High Street Grays Essex RM17 6LZ
SOLICITORS:	Cripps LLP Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EG

STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019

The director presents his strategic report for the year ended 28 February 2019.

REVIEW OF BUSINESS
The company operates mainly from Caxton House , Basildon, Essex. The company also has a small site located at Laindon, Basildon, Essex and another site at Benfleet, Essex.

The company has continued to perform well during the financial year and has maintained profitability, driven largely by the continued improvement in the scrap metal market as a whole. The Director has continued to explore opportunities to invest and expand the operations of the company throughout the year. The company has maintained a strong financial position, with large reserves held of liquid funds as at the balance sheet date.

Fair review of business and key performance indicators

The directors consider that the key financial performance indicators (KPIs) are those factors by reference to which the performance, development and strength of the company's business can be measured by its members. These KPIs comprise turnover, gross profit percentage, operating profit and net assets.

- Turnover for the year increased by 18.22% to £32.01 million (2018: increased by 29.19% to £27.13 million).
- Gross profit percentage decreased to 12.16% (2018: decreased to 17.34%).
- Operating profit for the year was £869,222 (2018: Operating profit £1,357,984).
- Net current assets decreased to £6.62 million (2018: increased to £6.78 million).

Principal risks and uncertainties

The operations and management of the business are subject to a number of risks. These risks are reviewed by the director on an ongoing basis. The main risks identified by the director are as follows:-

- Scrap prices are fixed by the end users and reflect supply and demand worldwide: as a result prices can be volatile and may fluctuate on a daily basis.
- Scrap demand depends on both domestic and overseas levels of steel production and currency which in turn is closely linked to economic conditions.
- Possible scrap shortage.
- Continuing regulation of the industry will significantly increase the cost of compliance.
- High transport costs.
- Fluctuation in exchange rates, which affect exports and scrap prices.

The company maintains a high level of liquid funds to mitigate some of the uncertainties in the business environment in which it operates.

Financial risk, management objective and policies

The company's principal financial instruments comprise cash balances. The company has no bank loans.
The company has taken action to mitigate its liquidity risk by making sure all liabilities are paid on time and the company's cash has been spread over different financial institutions.

ON BEHALF OF THE BOARD:

R B Leeman - Director

27 November 2019

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 28 FEBRUARY 2019

The director presents his report with the financial statements of the company for the year ended 28 February 2019.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of scrap metal merchants.

DIVIDENDS
Particulars of recommended dividends are detailed in note 9 to the financial statements.

DIRECTOR
R B Leeman held office during the whole of the period from 1 March 2018 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

ON BEHALF OF THE BOARD:

R B Leeman - Director

27 November 2019

Opinion
We have audited the financial statements of Benfleet Scrap Co Limited (the 'company') for the year ended 28 February 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 28 February 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

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

Claire Ralph (Senior Statutory Auditor)
for and on behalf of The Carley Partnership
Statutory Auditor
St James's House
8 Overcliffe
Gravesend
Kent
DA11 0HJ

28 November 2019

BENFLEET SCRAP CO LIMITED (REGISTERED NUMBER: 03031502)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	2019 £	2018 £
TURNOVER	3	32,076,661	27,132,298
Cost of sales		28,175,785	22,426,362
GROSS PROFIT		3,900,876	4,705,936
Administrative expenses		3,031,654	3,347,952
OPERATING PROFIT	5	869,222	1,357,984
Interest receivable and similar income	6	35,865	30,091
		905,087	1,388,075
Interest payable and similar expenses	7	21,010	12,855
PROFIT BEFORE TAXATION		884,077	1,375,220
Tax on profit	8	165,354	244,804
PROFIT FOR THE FINANCIAL YEAR		718,723	1,130,416
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		718,723	1,130,416

STATEMENT OF FINANCIAL POSITION
28 FEBRUARY 2019

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		4,375,742		2,972,938
			4,375,742		2,972,938
CURRENT ASSETS					
Stocks	12	781,311		677,712	
Debtors	13	4,794,133		3,802,663	
Cash at bank and in hand		4,101,837		5,689,329	
		9,677,281		10,169,704	
CREDITORS					
Amounts falling due within one year	14	3,061,351		3,389,691	
NET CURRENT ASSETS			6,615,930		6,780,013
TOTAL ASSETS LESS CURRENT LIABILITIES			10,991,672		9,752,951
CREDITORS					
Amounts falling due after more than one year	15		(652,589)		(185,142)
PROVISIONS FOR LIABILITIES	17		(204,284)		(151,733)
NET ASSETS			10,134,799		9,416,076
CAPITAL AND RESERVES					
Called up share capital	18		500		500
Retained earnings	19		10,134,299		9,415,576
SHAREHOLDERS' FUNDS			10,134,799		9,416,076

The financial statements were approved by the director on 27 November 2019 and were signed by:

R B Leeman - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2017	500	8,316,285	8,316,785
Changes in equity			
Dividends	-	(31,125)	(31,125)
Total comprehensive income	-	1,130,416	1,130,416
Balance at 28 February 2018	500	9,415,576	9,416,076
Changes in equity			
Total comprehensive income	-	718,723	718,723
Balance at 28 February 2019	500	10,134,299	10,134,799

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	320,159	2,820,958
Interest element of hire purchase payments paid		(21,010)	(12,855)
Tax paid		(280,888)	(224,574)
Net cash from operating activities		18,261	2,583,529
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,391,034)	(1,059,787)
Sale of tangible fixed assets		300,850	138,750
Interest received		35,865	30,091
Net cash from investing activities		(2,054,319)	(890,946)
Cash flows from financing activities			
Capital repayments in year		493,115	(248,159)
Loans introduced		170,016	195,227
Loans withdrawn		(214,565)	(125,966)
Equity dividends paid		-	(31,125)
Net cash from financing activities		448,566	(210,023)
(Decrease)/increase in cash and cash equivalents		(1,587,492)	1,482,560
Cash and cash equivalents at beginning of year	2	5,689,329	4,206,769
Cash and cash equivalents at end of year	2	4,101,837	5,689,329

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

	2019	2018
	£	£
Profit before taxation	884,077	1,375,220
Depreciation charges	978,249	712,890
Profit on disposal of fixed assets	(290,869)	(59,573)
Finance costs	21,010	12,855
Finance income	(35,865)	(30,091)
	1,556,602	2,011,301
Increase in stocks	(103,599)	(151,427)
(Increase)/decrease in trade and other debtors	(946,921)	291,952
(Decrease)/increase in trade and other creditors	(185,923)	669,132
Cash generated from operations	320,159	2,820,958

2. CASH AND CASH EQUIVALENTS

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

Year ended 28 February 2019

	28.2.19	1.3.18
	£	£
Cash and cash equivalents	4,101,837	5,689,329

Year ended 28 February 2018

	28.2.18	1.3.17
	£	£
Cash and cash equivalents	5,689,329	4,206,769

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

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'.

Basis of preparing financial statements

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through the statement of comprehensive income.

The financial statements are presented in Sterling, which is the functional currency of the entity.

Significant judgements and estimates
There are no significant estimates or assumptions made that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition
Revenue refers to the amounts earned from the Company's principal activity: that was mainly on selling of scrap metal.

The revenue shown in the income statement represents amounts invoiced during the year, exclusive of Value Added Tax.

Tangible fixed assets
Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Plant & machinery - 20% on reducing balance and 15% on cost
Motor vehicles - 25% on reducing balance

Short Leasehold - Amortised over period of lease or amortised at 20% on a straight line basis.

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

continued...

2. **ACCOUNTING POLICIES - continued**

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

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

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

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Defined contribution plans
Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

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.

Creditors
Short term trade 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.

continued...

2. **ACCOUNTING POLICIES - continued**

Provisions for liabilities
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The amount of discount is recognised as finance cost in profit or loss in the period it arises.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

3. **TURNOVER**

The company does not disclose its turnover by geographic location as it considers that it would be detrimental to its business.

4. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	2,833,392	2,280,487
Social security costs	231,814	218,713
Other pension costs	29,677	11,124
	3,094,883	2,510,324

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

	2019	2018
Administrative staff	11	8
Operatives	81	71
	92	79

	2019	2018
	£	£
Director's remuneration	303,647	280,879

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

Money purchase schemes	1	1

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	303,647	280,879

continued...

5. OPERATING PROFIT

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

	2019	2018
	£	£
Hire of plant and machinery	406,395	430,015
Other operating leases	464,083	463,305
Depreciation - owned assets	978,251	712,890
Profit on disposal of fixed assets	(290,871)	(59,573)
Auditors' remuneration	23,660	32,481

Operating profit or loss is the profit or loss from business operations before deduction of interest and taxes.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Deposit account interest	2,892	433
Other interest received	32,973	29,658
	35,865	30,091

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Hire purchase	21,010	12,855

8. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	112,803	280,889
Deferred tax	52,551	(36,085)
Tax on profit	165,354	244,804

continued...

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	884,077	1,375,220
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19.085%)	167,975	262,461
Effects of:		
Expenses not deductible for tax purposes	1,911	7,934
Adjustments to tax charge in respect of previous periods	22	-
Permanently disallowed depreciation	1,628	1,611
Change in deferred tax rate	(6,182)	(27,202)
Total tax charge	165,354	244,804

9. DIVIDENDS

	2019	2018
	£	£
Ordinary B shares of £1 each		
Interim	-	31,125

An interim dividend of £83 per Ordinary 'B' share was paid on 29 March 2017.

10. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 March 2018 and 28 February 2019	5,000
AMORTISATION	
At 1 March 2018 and 28 February 2019	5,000
NET BOOK VALUE	
At 28 February 2019	-
At 28 February 2018	-

continued...

11. TANGIBLE FIXED ASSETS

	Leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 March 2018	606,819	4,717,250	2,345,551	7,669,620
Additions	59,104	1,690,494	641,436	2,391,034
Disposals	-	(523,592)	(20,938)	(544,530)
At 28 February 2019	665,923	5,884,152	2,966,049	9,516,124
DEPRECIATION				
At 1 March 2018	512,353	2,778,700	1,405,629	4,696,682
Charge for year	8,572	643,994	325,685	978,251
Eliminated on disposal	-	(522,220)	(12,331)	(534,551)
At 28 February 2019	520,925	2,900,474	1,718,983	5,140,382
NET BOOK VALUE				
At 28 February 2019	144,998	2,983,678	1,247,066	4,375,742
At 28 February 2018	94,466	1,938,550	939,922	2,972,938

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant & Machinery £
Net book values	
At 28 February 2019	1,834,581
At 29 February 2018	1,192,300
Depreciation charge for the year	
At 28 February 2019	379,013
At 29 February 2018	284,628

12. STOCKS

	2019 £	2018 £
Stock	781,311	677,712

13. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,495,519	1,600,487
Bad debt provision	(2,258)	(2,008)
Other debtors	183,896	246,901
Directors' current accounts	129,557	85,008
Prepayments and accrued income	406,750	191,606
	3,213,464	2,121,994

continued...

13. DEBTORS - continued

	2019	2018
	£	£
Amounts falling due after more than one year:		
Other debtors	1,580,669	1,680,669
Aggregate amounts	4,794,133	3,802,663

Please see note 22 for related party disclosures.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Hire purchase contracts (see note 16)	341,974	316,306
Trade creditors	1,491,939	1,133,159
Corporation tax	112,782	280,867
Social security and other taxes	156,442	380,234
Other creditors	44,487	40,084
Accrued expenses	913,727	1,239,041
	3,061,351	3,389,691

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

	2019	2018
	£	£
Hire purchase contracts (see note 16)	652,589	185,142

Obligations under hire purchase agreements are secured on the associated assets.

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	341,974	316,306
Between one and five years	652,589	185,142
	994,563	501,448

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	185,030	233,569
Between one and five years	567,022	616,778
In more than five years	1,438,087	1,523,087
	2,190,139	2,373,434

continued...

17. **PROVISIONS FOR LIABILITIES**

	2019	2018
	£	£
Deferred tax	204,284	151,733

	Deferred tax
	£
Balance at 1 March 2018	151,733
Charge to Statement of Comprehensive Income during year movement	52,551
Balance at 28 February 2019	204,284

	2019	2018
	£	£
Accelerated capital allowances	52,551	36,085
Tax losses	-	-
	52,551	36,085

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
125	Ordinary A	£1	125	125
375	Ordinary B	£1	375	375
			500	500

Both classes of share rank equally in all respects with the exception of voting of dividends that may be declared on a class of share to the exclusion of the other or may be declared at varying rates.

19. **RESERVES**

	Retained earnings
	£
At 1 March 2018	9,415,576
Profit for the year	718,723
At 28 February 2019	10,134,299

20. **PENSION COMMITMENTS**

The pension cost charge represents defined contributions payable by the company to an independently administered fund. There was £nil provided within creditors at 28th February 2019 (2018: £nil).

21. **DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

During the year, the company made a loan to a director amounting to £177,199 and received repayments amounting to £132,650. The balance outstanding at the balance sheet date was £129,557 (2018: £85,008). Interest is being charged on this loan at 2.5% per annum. The loan was repaid after the year end.

continued...

22. RELATED PARTY DISCLOSURES

One of the director/shareholders has significant control of another company. The company has an agreement in place whereby it would make available a maximum of £3,000,000 for the other company to draw down from 23 August 2010. This loan is secured by a legal mortgage over that company's freehold property.

The loan balance owed to the company as at 28th February 2019 was £1,680,669 (2018: £1,780,669). Interest is charged on this loan at 1% above the Bank of England Base Rate. Interest owed to the company as at the balance sheet date was £7,359 (2018: £7,586) which is included in debtors due within one year. Capital repayments of £25,000 per quarter commenced as at 21 September 2016 as per the agreement.

The company also paid rent for properties and paid hire charge for plant and machinery to the other company during the year.