

# **Axminster Tool Centre Limited**

## **Annual Report and Financial Statements Year Ended 30 April 2020**

**Registration number: 3326979**



# **Axminster Tool Centre Limited**

## **Contents**

|  |          |
|--|----------|
| Company Information                      | 1        |
| Strategic Report                         | 2 to 5   |
| Directors' Report                        | 6 to 8   |
| Statement of Directors' Responsibilities | 9        |
| Independent Auditor's Report             | 10 to 12 |
| Profit and Loss Account                  | 13       |
| Statement of Comprehensive Income        | 14       |
| Balance Sheet                            | 15       |
| Statement of Changes in Equity           | 16       |
| Notes to the Financial Statements        | 17 to 30 |

# **Axminster Tool Centre Limited**

## **Company Information**

**Directors**                Mr A V Styles  
                                 Mrs H J Jones  
                                 Mr A J Parkhouse  
                                 Mr M P Trimble  
                                 Mrs J Boulton  
                                 Mr D C McLeod  
                                 Mr P H S Von Der Heyde

**Registered office**      Unit 10  
                                 Weycroft Avenue  
                                 Axminster  
                                 EX13 5PH

**Bankers**                 HSBC plc  
                                 Level 4, 3 Temple Quay  
                                 Bristol  
                                 BS1 6DZ

**Auditors**                PKF Francis Clark  
                                 Statutory Auditor  
                                 Centenary House  
                                 Peninsula Park  
                                 Rydon Lane  
                                 Exeter  
                                 EX2 7XE

# Axminster Tool Centre Limited

## Strategic Report

Year Ended 30 April 2020

The directors present their strategic report for the year ended 30 April 2020.

### Principal activity

The principal activity of the company is that of selling power and hand tools and workshop accessories.

### Fair review of the business

The trading year split into two periods: pre and post Covid-19. Following the government's intervention and the changes to the UK population's daily lives, the company experienced a significant and sustained growth in turnover. Trade and profit levels in the pre-Covid 19 period were consistent with previous years. Post-Covid 19 the company was well placed to satisfy the increased demand for its products – primarily from its consumer customer base. The high levels of investment over many years into the website (which has seen it achieve Top 50 status nationally), coupled with a successful relaunch in 2020, placed us in a favourable position to grab a larger share of online sales.

The impact of the pandemic on worldwide supply chains meant that the company experienced inevitable, and ongoing, difficulties in securing stock for all its extensive product range. However, our excellent relationships with suppliers meant that we are a priority for shipment once completed products leave the factories.

The company's key financial and other performance indicators during the year were as follows:

|                     | Unit | 2020   | 2019   |
|---------------------|------|--------|--------|
| Turnover            | £000 | 46,190 | 43,536 |
| Turnover growth     | %    | 6      | 2      |
| Gross profit margin | %    | 37     | 38     |
| Profit before tax   | £000 | 731    | 490    |

### Principal risks and uncertainties

The principal business risks and uncertainties facing the company come from the uncertain economic climate and competition generally. The company seeks to address these risk areas by building on its strong brand and reputation, which have been developed over many years, and by continuing to invest in its marketing activities. The company has long cultivated a diverse customer base (selling to consumers & businesses from the trade, craft, educational and industrial sectors on a global basis), and obtains its products from suppliers around the globe – factors which reduce the risk arising from a negative impact from any one area of trade.

The company generates sales through a variety of media, predominately internet sales and shop sales, to maximise opportunities from its large customer base of both individuals and businesses. Details of financial risks, including the impact of exchange rate fluctuations, are explained in the Directors' Report.

The company has successfully renegotiated bank facilities for the coming 12 months (from October 2020) on favourable terms from its current bankers. Sales to date in 2020/21 remain at the same elevated level as reported above and to date are well ahead of target. We are confident that the above together with good stock levels will enable us to react quickly and effectively to any potential downturn in sales. The company holds in reserve the employment of price promotion activities as a rarely used sales-boosting tactic.

# **Axminster Tool Centre Limited**

## **Strategic Report**

**Year Ended 30 April 2020**

### **Principal risks and uncertainties (continued)**

The full impact of Brexit and its impact on the company is still unclear, but the directors anticipate new opportunities alongside potential risks. We believe we have taken adequate action in conjunction with our key European suppliers and international couriers to best avoid the worst impacts of an adverse Brexit withdrawal. Independent review of these measures by Kuehne & Nagel confirmed this belief.

### **Section 172 statement**

In accordance with section 172 of the Companies Act 2006, the directors have a duty to promote the success of the company for the benefit of its members as a whole. The company's key stakeholders and how we engage with them are set out below, including details of the key management decisions taken during the year. In managing the company, the directors are mindful of the interests of all stakeholders in maintaining a sustainable future for the business and securing prosperity for our staff and the communities we support and engage with.

### **Employees**

As a 45 year old business the requirement to think long-term is ingrained in us - the majority of board members and key management personnel have been employees for over 15 years. The decisions taken by the business in response to the Coronavirus pandemic have largely been informed from a staff viewpoint: we have invested in the hardware necessary to enable staff to work from home where possible; our Incident Management Committee has met to consider up-to-the-minute operational issues and reported immediately to all staff affected by their decisions; and our decision to close our stores during the first Lockdown was taken to ensure the health of our staff (and customers). During the year as a result of the Coronavirus pandemic it became clear that many roles were potentially redundant - the directors' decision to limit the number of redundancies to a bare minimum was due to our longer-term attitude.

The company listened to feedback from employees (individually and within groups) that internal communication was irregular, sparse, and ineffective. The decision to introduce 3 Hubs and 8 Committees was made specifically to address this weakness. The Hubs and Committees cover all aspects of the business such as wellbeing, compliance, operations, customer service and environmental. This allows us to gain feedback, ideas and solutions from employees with diverse backgrounds, experiences and from a wide-ranging cross-section of the business. Minutes of Meetings are posted on the intranet with a feedback box giving the opportunity for those employees who may have an interest to support group discussions. The company also uses a monthly newsletter supported by the intranet allowing staff to remain informed of key company and departmental activity. The company operates an Annual Survey, along with pulse surveys through the year, so that feedback from staff can be continually reviewed to encourage engagement, improve leadership, communication, and training as well as assessing reward. The company is currently rolling out its vision and values to staff via a roadshow. Management have undertaken group exercises on the importance of Values & Behaviours and this is now being cascaded down to departments by their Line Manager. The Values and Behaviours have been incorporated into Job Descriptions, are promoted during the Recruitment process as well as in the Annual Performance Reviews, and the staff Time to Talk initiative.

# **Axminster Tool Centre Limited**

## **Strategic Report**

**Year Ended 30 April 2020**

### **Section 172 statement (continued)**

#### **Shareholders**

We took the decision to add monthly shareholders' meetings to the business calendar in order to increase engagement with the 3 now retired directors. Shareholders receive the monthly Management Information pack at the same time as the directors ahead of the Board meeting. The decision to appoint Paul von der Heyde as Chairman was taken in part with a view to similarly enhance the relationship between the company and its shareholders. Paul has gained considerable experience from several other businesses in managing such relationships. Shareholders' meetings are chaired by the company's Chairman with the company also being represented by the Commercial Director (a non-shareholder). Such a regime affords each shareholder the opportunity to request address for any unfairness.

#### **Customers**

Customer relationships are building upon feedback from Sales Reviews, surveys and customer forums. We enjoy frequent and open engagement with all sectors of our customer base - we use this to establish customer requirements and to prioritise initiatives.

#### **Suppliers**

We continue to build upon our strong relationships with key long term suppliers, sourcing and developing products in partnership with them. A survey has been developed for completion by agents and suppliers to ascertain their stance on key issues such as environmental concerns, anti-slavery regulations, welfare of staff, and the origin of raw materials.

#### **Communities**

We continue to support charities and organisations within our sector. We also support a local mental health charity ARC with fundraising and offer Mental Health support to all our employees. An internal committee manages these relationships and seeks to promote our commitment to this area. This committee and our sales/training teams are focusing on using our network to educate the wider populace and promote the industry - the skills it requires, the sustainable source of its materials (wood), and the wellbeing aspect of the activities undertaken by our customers with our products.

As a business, our impact on the environment is important to us and we strive to protect our local area as well as reduce our contribution to global warming. We operate as a certified ISO14001 business. This environmental management system ensures we have the correct procedures to provide value for the environment, for ourselves and our interested parties, such as our surrounding communities. Alongside this, we have an in-house environmental committee which meets monthly to monitor, review and continually improve upon our environmental aspects and awareness, as well as report directly to the board regarding issues & projects (including LED lighting conversion for our entire site, maximising recycling opportunities and solar panels installation).

The company encourages staff through its Green Travel Scheme to use public transport, cycle, walk/run and car share through a reward scheme. This improves upon local congestion at our HQ and the carbon footprint of our staff members upon their daily commute. For our waste, we partner with Devon Contract Waste, a 'Zero to Landfill' refuse processor. Our internal product teams review our waste packaging and WEEE products to ensure accurate reporting. The teams look to reduce our packaging wherever possible but particularly on imported products thus reducing the nation's net impact on the environment from waste production.

## Axminster Tool Centre Limited

### Strategic Report

Year Ended 30 April 2020

#### Section 172 statement (continued)

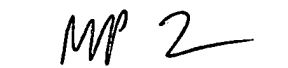
ESOS and SECR regulations are a part of our ongoing environmental reporting, to further enhance this we have embarked upon a new project to become an ISO50001 certified business, which will further reduce our impact on the environment, through the utilisation of a recognised energy management system. We work in accordance with the EU regulation, REACH. This focuses on hazardous substances which can play a role in our environment at home and with our suppliers.

#### Government and regulators

One committee helps to co-ordinate the company's compliance-related efforts. Responsibilities for compliance are shared and delegated throughout the organisation but this committee retains oversight to ensure a gold-standard approach - the significance attached to this area by the company is indicated by its membership consisting of 3 directors, and 1 specialist staff member.

Approved by the Board on .....8/2/21..... and signed on its behalf by:

  
.....  
Mr A V Styles  
Director

  
.....  
Mr M P Trimble  
Director

# **Axminster Tool Centre Limited**

## **Directors' Report**

### **Year Ended 30 April 2020**

The directors present their report and the financial statements for the year ended 30 April 2020.

#### **Directors of the company**

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

Mr B G Styles (resigned 21 June 2019)

Mr I V Styles (resigned 21 June 2019)

Mrs K J Styles (resigned 21 June 2019)

Mr A V Styles

Mrs H J Jones

Mr A J Parkhouse

Mr M J Brown (resigned 22 October 2019)

Mr M P Trimble

Mrs J Boulton

Mr D C McLeod

Mr P H S Von Der Heyde (appointed 16 September 2019)

#### **Financial risk management objectives and policies**

##### **Financial risk**

The company is exposed to market risks arising from its international operations. The company has well defined and consistently applied policies for the management of foreign exchange and interest rate exposures. There has been no change since the year-end in the major financial risk, liquidity risk and foreign currency risk.

The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. The company's financial instruments, comprise borrowings, cash and liquid resources, trade debtors and trade creditors that arise directly from its operations. The company reviews its exposure to foreign currency and considers the use of short term currency hedging contracts when appropriate.

The company occasionally enters into swaps for its cash deposits denominated in foreign currencies for a fixed period of time at known rates of exchange. This minimises interest charges at a minimal level of risk.

The directors regularly review deposits and borrowings by currency at Board meetings.

##### **Interest rate risk**

The company finances its operations through a mixture of retained profits and bank and other borrowings. The company borrows at floating rates of interest and therefore is fully participating in the current low interest rates.



# **Axminster Tool Centre Limited**

## **Directors' Report**

### **Year Ended 30 April 2020**

#### **Liquidity risk**

The company seeks a balance between certainty of funding and a flexible, cost-effective borrowing structure. The company's policy is to ensure that, as a minimum, all projected net borrowing needs are covered by committed facilities arranged and provided by the Board.

The principal source of funds to the company is committed bank debt. A mix of term loans and short term credit facilities are used to obtain the desired currency and maturity profile.

#### **Foreign currency risk**

The company sources a significant proportion of its products from overseas and makes payments for those purchases primarily in US dollars and Euros. The company endeavours to hedge risks with forward contracts and therefore adopts cash flow hedge accounting. The company is also targeting foreign operations as an area of growth, which will reduce the need for forward contracts.

#### **Commodity risk**

The company's operating performance is affected by price fluctuations in stainless steel, nickel alloy, copper, aluminium, plastic, timber and other commodities. The company seeks to minimise the effects of changing prices through, where possible, negotiating fixed prices with suppliers over the catalogue products and setting selling prices to maintain reasonable gross profit margins.

#### **Employment of disabled persons**

The company gives full consideration to applications for employment from disabled persons where the requirements of the role can be adequately fulfilled by a disabled person. In the event of a staff member becoming disabled, every effort is made to ensure their employment with the company continues and the appropriate training is arranged.

#### **Employee involvement**

The company operates a number of initiatives to promote employee engagement as detailed in the Section 172 statement section of the Strategic Report.

#### **Streamlined energy and carbon reporting**

The following initiatives were in place over the past year to help the business reduce its carbon footprint and minimise energy consumption:

- Employees' Green Travel scheme whereby employees receive rewards for walking, cycling, or sharing lifts to work;
- An electric vehicle pool car available for all staff to use on local business journeys;
- Rolling and ongoing program to replace existing lightbulbs with LED bulbs;
- Transport vehicles employ latest diesel engine technology and are financed on short-term lease deals ensuring the fleet is regularly updated;
- Working from home has been encouraged for all management, administration and sales staff roles where appropriate. Video conferencing has been made available to all those staff working off-site and at home;
- Early work to prepare for energy supplier contract renewal which will seek to obtain the maximum amount of energy from renewable sources;
- Motion sensitive lighting in office and warehouse areas; and
- Timed switches controlling air conditioning units in office units.

## Axminster Tool Centre Limited

### Directors' Report

#### Year Ended 30 April 2020

The company's energy usage results for the year to 30 April 2020 are as follows:

| Energy source | KgCO <sub>2</sub> e |
|---------------|---------------------|
| Electricity   | 292,103             |
| Natural gas   | 60,090              |
| LPG           | 2,558               |
| Petrol        | 10,763              |
| Diesel        | 197,082             |
| Total         | <u>562,596</u>      |

This equates to an intensity ratio of 0.012kgCO<sub>2</sub>e per £ of turnover.

The consumption data has been calculated from the respective electricity and gas meter readings, or from our records of petrol and diesel used by the company's vehicles. The consumption has been converted into CO<sub>2</sub> (kg) using the Carbon Trust Calculator.

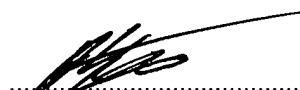
#### Directors' liabilities

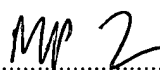
The company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

#### Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on .....8/2/21... and signed on its behalf by:

  
.....  
Mr A V Styles  
Director

  
.....  
Mr M P Trimble  
Director

## **Axminster Tool Centre Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

# **Axminster Tool Centre Limited**

## **Independent Auditor's Report to the Members of Axminster Tool Centre Limited**

### **Opinion**

We have audited the financial statements of Axminster Tool Centre Limited (the 'company') for the year ended 30 April 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 30 April 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.

### **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.

## **Axminster Tool Centre Limited**

### **Independent Auditor's Report to the Members of Axminster Tool Centre Limited**

#### **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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

## Axminster Tool Centre Limited

### Independent Auditor's Report to the Members of Axminster Tool Centre Limited

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Glenn Nicol (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

Date: 22/02/2021

## Axminster Tool Centre Limited

### Profit and Loss Account

Year Ended 30 April 2020

|                                      | Note | 2020<br>£             | 2019<br>£             |
|--------------------------------------|------|-----------------------|-----------------------|
| Turnover                             | 3    | 46,189,838            | 43,535,622            |
| Cost of sales                        |      | <u>(29,238,329)</u>   | <u>(27,098,548)</u>   |
| Gross profit                         |      | 16,951,509            | 16,437,074            |
| Distribution costs                   |      | (2,008,877)           | (2,002,882)           |
| Administrative expenses              |      | <u>(14,064,044)</u>   | <u>(13,777,195)</u>   |
| Operating profit                     | 4    | 878,588               | 656,997               |
| Interest payable and similar charges | 8    | <u>(147,182)</u>      | <u>(166,862)</u>      |
| Profit before tax                    |      | 731,406               | 490,135               |
| Taxation                             | 9    | <u>(192,765)</u>      | <u>(101,981)</u>      |
| Profit for the financial year        |      | <u><u>538,641</u></u> | <u><u>388,154</u></u> |

## Axminster Tool Centre Limited

### Statement of Comprehensive Income

Year Ended 30 April 2020

|   | 2020<br>£             | 2019<br>£             |
|---|-----------------------|-----------------------|
| Profit for the year                     | <u>538,641</u>        | <u>388,154</u>        |
| <b>Cash flow hedges</b>                 |                       |                       |
| Gain/(loss) arising during the period   | 72,355                | 27,964                |
| Reclassified to profit and loss         | <u>(27,964)</u>       | <u>(28,135)</u>       |
|   | <u>44,391</u>         | <u>(171)</u>          |
| Total comprehensive income for the year | <u><u>583,032</u></u> | <u><u>387,983</u></u> |



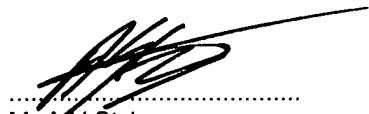
# Axminster Tool Centre Limited

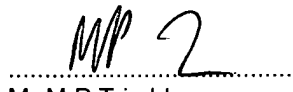
## Balance Sheet

30 April 2020

|  | Note | 2020<br>£           | 2019<br>£           |
|--|------|---------------------|---------------------|
| <b>Fixed assets</b>  |      |                     |                     |
| Tangible assets  | 10   | 3,520,336           | 3,491,933           |
| <b>Current assets</b>  |      |                     |                     |
| Stocks   | 11   | 10,867,277          | 12,465,700          |
| Debtors  | 12   | 3,729,910           | 5,041,605           |
| Cash at bank and in hand                                       |      | 152,369             | 419                 |
|  |      | <u>14,749,556</u>   | <u>17,507,724</u>   |
| <b>Creditors: Amounts falling due within one year</b>          | 13   | <u>(12,912,303)</u> | <u>(15,948,683)</u> |
| <b>Net current assets</b>                                      |      | <u>1,837,253</u>    | <u>1,559,041</u>    |
| <b>Total assets less current liabilities</b>                   |      | 5,357,589           | 5,050,974           |
| <b>Creditors: Amounts falling due after more than one year</b> | 13   | (266,401)           | (362,982)           |
| <b>Provisions for liabilities</b>                              | 16   | <u>(310,000)</u>    | <u>(209,000)</u>    |
| <b>Net assets</b>  |      | <u>4,781,188</u>    | <u>4,478,992</u>    |
| <b>Capital and reserves</b>                                    |      |                     |                     |
| Called up share capital  | 19   | 100,000             | 100,000             |
| Cash flow hedge reserve  |      | 72,355              | 27,964              |
| Profit and loss account  |      | <u>4,608,833</u>    | <u>4,351,028</u>    |
| <b>Total equity</b>  |      | <u>4,781,188</u>    | <u>4,478,992</u>    |

Approved and authorised by the Board on 8/2/21 and signed on its behalf by:

  
Mr A V Styles  
Director

  
Mr M P Trimble  
Director

Company Registration Number: 3326979

# Axminster Tool Centre Limited

## Statement of Changes in Equity

Year Ended 30 April 2020

|                            | Share capital<br>£ | Cash flow<br>hedge<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£ |
|----------------------------|--------------------|------------------------------------|---------------------------------|------------|
| At 1 May 2019              | 100,000            | 27,964                             | 4,351,028                       | 4,478,992  |
| Profit for the year        | -                  | -                                  | 538,641                         | 538,641    |
| Other comprehensive income | -                  | 44,391                             | -                               | 44,391     |
| Total comprehensive income | -                  | 44,391                             | 538,641                         | 583,032    |
| Dividends                  | -                  | -                                  | (280,836)                       | (280,836)  |
| At 30 April 2020           | 100,000            | 72,355                             | 4,608,833                       | 4,781,188  |

|  | Share capital<br>£ | Cash flow<br>hedge<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£ |
|--|--------------------|------------------------------------|---------------------------------|------------|
| At 1 May 2017                            | 100,000            | 28,135                             | 4,385,207                       | 4,513,342  |
| Prior period adjustment (see<br>note 18) | -                  | -                                  | (292,328)                       | (292,328)  |
| At 1 May 2018                            | 100,000            | 28,135                             | 4,092,879                       | 4,221,014  |
| Profit for the year                      | -                  | -                                  | 388,154                         | 388,154    |
| Other comprehensive income               | -                  | (171)                              | -                               | (171)      |
| Total comprehensive income               | -                  | (171)                              | 388,154                         | 387,983    |
| Dividends                                | -                  | -                                  | (130,005)                       | (130,005)  |
| At 30 April 2019                         | 100,000            | 27,964                             | 4,351,028                       | 4,478,992  |

# **Axminster Tool Centre Limited**

## **Notes to the Financial Statements**

**Year Ended 30 April 2020**

### **1 General information**

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

The address of its registered office is:

Unit 10

Weycroft Avenue

Axminster

EX13 5PH

### **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.

#### **Basis of accounting**

These financial statements were 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. There are no material departures.

These financial statements have been prepared using the historical cost convention except that, as disclosed in the accounting policies below, foreign currency contracts are shown at fair value.

The functional currency of Axminster Tool Centre Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

#### **Summary of disclosure exemptions**

Axminster Tool Centre Limited meets the definition of a qualifying entity under FRS102, as its results are consolidated into the financial statements of its parent entity, Styles & Brown Limited. It has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement and related notes, and certain disclosure requirements in relation to financial instruments.

# **Axminster Tool Centre Limited**

## **Notes to the Financial Statements**

**Year Ended 30 April 2020**

### **2 Accounting policies (continued)**

#### **Going concern**

As noted in the Strategic Report, the company has seen an increase in activity levels since the first lockdown period, which have been maintained to date. Combined with good control over costs, the company is on track to report improved profitability in the year to 30 April 2021. The directors have prepared cash flow forecasts on the basis of these increased activity levels, which show the company can continue to trade within available facilities for a period of at least twelve months from the date of approval of these financial statements. Sensitivity analysis indicates a 10% reduction in turnover can be managed within current facilities. Should there be an unexpected and sustained reduction in turnover of more than 10%, the directors would look to make appropriate adjustments such as sales price promotions and/or reduction in costs.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Key sources of estimation uncertainty**

On consideration of the judgements and estimation uncertainties included in these financial statements and the accounting policies applied it is the view of management that these do not have a significant effect on the amounts recognised in the financial statements or lead to a risk of causing a material misstatement of the carrying amounts of assets and liabilities within the next financial year. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period only, or in the period of revision and future periods if the revision affects both current and future periods.

#### **Revenue recognition**

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of business for goods and services provided. Income is recognised on the despatch of goods to the customer.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less in the future have occurred at the balance sheet date.

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 2 Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class                         | Depreciation method and rate |
|-------------------------------------|------------------------------|
| Motor Vehicles                      | 20% straight line            |
| Fixtures, fittings and equipment    | 15% & 25% straight line      |
| Leasehold improvements              | over appropriate lease term  |
| Other property, plant and equipment | 15% & 25% straight line      |

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 2 Accounting policies (continued)

#### Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

The company holds the following financial instruments, all of which meet the conditions to be classified as basic instruments:

- Short term trade and other debtors and creditors;
- Short term intra group debtors and creditors;
- Short and long term bank borrowings

Short term trade, other and intra group balances are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Long term bank borrowings and are measured at amortised cost.

#### Derivative financial instruments and hedging

The company uses derivative financial instruments in the form of forward foreign currency contracts to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedge relationship.

The company applies cash flow hedge accounting, note 12 sets out details of the fair values of the derivative instruments used for hedging purposes.

### 3 Revenue

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

|               | 2020<br>£         | 2019<br>£         |
|---------------|-------------------|-------------------|
| UK            | 39,643,343        | 37,522,474        |
| Europe        | 4,485,582         | 4,980,877         |
| Rest of world | 2,060,913         | 1,032,271         |
|               | <u>46,189,838</u> | <u>43,535,622</u> |

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 4 Operating profit

Arrived at after charging/(crediting)

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Depreciation expense                                | 742,891   | 634,164   |
| Foreign exchange losses                             | 66,256    | 27,770    |
| Profit on disposal of property, plant and equipment | -         | (13,766)  |

### 5 Staff costs

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

|  | 2020<br>£        | 2019<br>£        |
|--|------------------|------------------|
| Wages and salaries                         | 6,908,229        | 7,233,055        |
| Social security costs                      | 589,444          | 622,303          |
| Pension costs, defined contribution scheme | 215,381          | 197,547          |
|  | <u>7,713,054</u> | <u>8,052,905</u> |

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

|                   | 2020<br>No. | 2019<br>No. |
|-------------------|-------------|-------------|
| Sales             | 115         | 125         |
| Distribution      | 96          | 87          |
| Other departments | 70          | 70          |
|                   | <u>281</u>  | <u>282</u>  |

### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

|  | 2020<br>£      | 2019<br>£      |
|--|----------------|----------------|
| Remuneration                                 | 662,510        | 918,956        |
| Contributions paid to money purchase schemes | 26,170         | 24,590         |
|  | <u>688,680</u> | <u>943,546</u> |

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 6 Directors' remuneration (continued)

During the year the number of directors who were receiving benefits and share incentives was as follows:

|   | 2020<br>No. | 2019<br>No. |
|---|-------------|-------------|
| Received or were entitled to receive shares under long term incentive schemes | 7           | 7           |
| Accruing benefits under money purchase pension scheme                         | 7           | 7           |

In respect of the highest paid director:

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Remuneration  | 122,557   | 234,311   |
| Company contributions to money purchase pension schemes | 1,550     | -         |

During the year the highest paid director received or was entitled to receive shares under a long term incentive scheme.

### 7 Auditor's remuneration

|                                   | 2020<br>£ | 2019<br>£ |
|-----------------------------------|-----------|-----------|
| Audit of the financial statements | 24,500    | 24,500    |
| <b>Other fees to auditors</b>     |           |           |
| Taxation compliance services      | 3,000     | 3,000     |
| All other assurance services      | 2,500     | 2,500     |
|                                   | 5,500     | 5,500     |

### 8 Interest payable and similar expenses

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Net bank interest                             | 105,063   | 114,345   |
| Interest on obligations under finance leases  | 23,160    | 23,095    |
| Interest expense on other finance liabilities | 18,959    | 29,422    |
|   | 147,182   | 166,862   |



# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 9 Taxation

Tax charged/(credited) in the profit and loss account

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| <b>Current taxation</b>                                     |                |                |
| UK corporation tax  | 92,000         | 68,000         |
| UK corporation tax adjustment to prior periods              | (235)          | (12,019)       |
|   | <u>91,765</u>  | <u>55,981</u>  |
| <b>Deferred taxation</b>                                    |                |                |
| Arising from origination and reversal of timing differences | <u>101,000</u> | <u>46,000</u>  |
| Tax expense in the income statement                         | <u>192,765</u> | <u>101,981</u> |

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

The differences are reconciled below:

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Profit before tax   | <u>731,406</u> | <u>490,135</u> |
| Corporation tax at standard rate  | 138,967        | 93,126         |
| Effect of expense not deductible in determining taxable profit (tax loss)               | 45,601         | 20,181         |
| Deferred tax expense (credit) relating to changes in tax rates or laws                  | 24,564         | (4,517)        |
| Increase (decrease) in UK from adjustment for prior periods                             | 297            | (4,185)        |
| Tax increase (decrease) arising from group relief                                       | (15,552)       | -              |
| Other tax effects for reconciliation between accounting profit and tax expense (income) | <u>(1,112)</u> | <u>(2,624)</u> |
| Total tax charge  | <u>192,765</u> | <u>101,981</u> |
| <b>Deferred tax</b>   |                |                |
| Deferred tax assets and liabilities   |                |                |

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 9 Taxation (continued)

|   | Liability<br>£ |
|---|----------------|
| <b>2020</b>   |                |
| Excess of taxation allowances over depreciation on fixed assets | <u>310,000</u> |
| <b>2019</b>   |                |
| Excess of taxation allowances over depreciation on fixed assets | <u>209,000</u> |

### 10 Tangible assets

|                          | Leasehold<br>improvements<br>£ | Furniture,<br>fittings<br>and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Other<br>property,<br>plant and<br>equipment<br>£ | Total<br>£        |
|--------------------------|--------------------------------|---|------------------------|---|-------------------|
| <b>Cost or valuation</b> |                                |   |                        |   |                   |
| At 1 May 2019            | 3,094,905                      | 6,520,699                                       | 149,755                | 1,869,420   | 11,634,779        |
| Additions                | <u>-</u>                       | <u>320,283</u>                                  | <u>12,355</u>          | <u>438,656</u>                                    | <u>771,294</u>    |
| At 30 April 2020         | <u>3,094,905</u>               | <u>6,840,982</u>                                | <u>162,110</u>         | <u>2,308,076</u>                                  | <u>12,406,073</u> |
| <b>Depreciation</b>      |                                |   |                        |   |                   |
| At 1 May 2019            | 1,052,391                      | 5,887,509                                       | 90,830                 | 1,112,116   | 8,142,846         |
| Charge for the year      | <u>226,329</u>                 | <u>313,463</u>                                  | <u>22,994</u>          | <u>180,105</u>                                    | <u>742,891</u>    |
| At 30 April 2020         | <u>1,278,720</u>               | <u>6,200,972</u>                                | <u>113,824</u>         | <u>1,292,221</u>                                  | <u>8,885,737</u>  |
| <b>Carrying amount</b>   |                                |   |                        |   |                   |
| At 30 April 2020         | <u>1,816,185</u>               | <u>640,010</u>                                  | <u>48,286</u>          | <u>1,015,855</u>                                  | <u>3,520,336</u>  |
| At 30 April 2019         | <u>2,042,514</u>               | <u>633,190</u>                                  | <u>58,925</u>          | <u>757,304</u>                                    | <u>3,491,933</u>  |

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 10 Tangible assets (continued)

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

|                     | 2020<br>£      | 2019<br>£      |
|---------------------|----------------|----------------|
| Plant and machinery | <u>622,809</u> | <u>665,815</u> |

### 11 Stocks

|                                     | 2020<br>£         | 2019<br>£         |
|-------------------------------------|-------------------|-------------------|
| Finished goods and goods for resale | <u>10,867,277</u> | <u>12,465,700</u> |

### 12 Debtors

|                                    | 2020<br>£        | 2019<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 1,146,781        | 1,255,104        |
| Amounts owed by group undertakings | 640,100          | 1,464,617        |
| Other debtors                      | 275,881          | 191,129          |
| Prepayments                        | 1,594,793        | 2,102,791        |
| Derivatives used for hedging       | <u>72,355</u>    | <u>27,964</u>    |
|                                    | <u>3,729,910</u> | <u>5,041,605</u> |

The company has entered into derivatives, being forward foreign currency contracts, to mitigate the exchange rate risk arising from fluctuations principally in USD and Euro rates. In 2020 and 2019 the company designated these contracts as cash flow hedges of foreign exchange risk in highly probable forecast transactions. The hedged cash flows are expected to occur and to affect profit or loss within the next financial year.

## **Axminster Tool Centre Limited**

### **Notes to the Financial Statements**

**Year Ended 30 April 2020**

#### **13 Creditors**

|  | <b>Note</b> | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|--|-------------|-------------------|-------------------|
| <b>Due within one year</b>                     |             |                   |                   |
| Loans and borrowings                           | 14          | 4,056,397         | 3,897,217         |
| Trade creditors                                |             | 5,645,226         | 8,787,798         |
| Amounts due to group undertakings              |             | 380,858           | 679,302           |
| Corporation tax                                |             | 92,000            | 68,000            |
| Social security and other taxes                |             | 1,049,114         | 654,207           |
| Outstanding defined contribution pension costs |             | 32,261            | 16,821            |
| Other creditors                                |             | 974,181           | 1,054,181         |
| Accrued expenses                               |             | 682,266           | 791,157           |
|  |             | <u>12,912,303</u> | <u>15,948,683</u> |
| <b>Due after one year</b>                      |             |                   |                   |
| Loans and borrowings                           | 14          | <u>266,401</u>    | <u>362,982</u>    |

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 14 Loans and borrowings

|                                     | 2020<br>£        | 2019<br>£        |
|-------------------------------------|------------------|------------------|
| <b>Current loans and borrowings</b> |                  |                  |
| Bank borrowings                     | 3,874,521        | 254,904          |
| Bank overdrafts                     | -                | 3,449,802        |
| Finance lease liabilities           | 175,876          | 186,511          |
| Other borrowings                    | 6,000            | 6,000            |
|                                     | <u>4,056,397</u> | <u>3,897,217</u> |

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| <b>Non-current loans and borrowings</b> |                |                |
| Finance lease liabilities               | 266,401        | 356,982        |
| Other borrowings                        | -              | 6,000          |
|   | <u>266,401</u> | <u>362,982</u> |

The bank loans and overdrafts are secured by way of a fixed and floating charge over the assets of the company.

Other tax and social security is secured on the assets of the company in the form of a guarantee given by the HSBC plc to HMRC up to a maximum of £60,000.

Finance lease agreements are secured upon the assets to which they relate.

### 15 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Not later than one year                           | 1,322,055        | 1,265,530        |
| Later than one year and not later than five years | 4,544,981        | 4,579,082        |
| Later than five years                             | 3,329,022        | 3,561,631        |
|   | <u>9,196,058</u> | <u>9,406,243</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,265,530 (2019 - £1,029,503).

## **Axminster Tool Centre Limited**

### **Notes to the Financial Statements**

**Year Ended 30 April 2020**

#### **16 Deferred tax and other provisions**

|                                 | <b>Deferred tax<br/>£</b> | <b>Total<br/>£</b>    |
|---------------------------------|---------------------------|-----------------------|
| At 1 May 2019                   | 209,000                   | 209,000               |
| Increase in existing provisions | <u>101,000</u>            | <u>101,000</u>        |
| At 30 April 2020                | <u><u>310,000</u></u>     | <u><u>310,000</u></u> |

#### **17 Pension and other schemes**

##### **Defined contribution pension scheme**

The company operates defined contribution pension schemes for its employees, management and directors. The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £215,381 (2019 - £197,547).

Contributions totalling £(32,261) (2019 - £(16,821)) were payable at the end of the year and are included in creditors.

#### **18 Share-based payments**

##### **Styles & Brown Limited Key Management Share Option Scheme**

##### **Scheme details and movements**

The company's parent, Styles & Brown Limited, has a share option scheme in place for certain key management individuals based on the company achieving specified annual performance targets over the period 1 May 2012 to 30 April 2018. The company ultimately has the obligation to settle these transactions with a payment equivalent to the market value of the shares at the date of exercise, which is no later than 30 April 2020. The fair value of this liability has been determined using a multiple of EBITDA. No charge was previously recognised in respect of earlier years and therefore a prior period adjustment of £292,328 has been made to the opening reserves as at 1 May 2017. There was no further charge arising after this date. As at 30 April 2020 a liability of £292,328 (2019: £292,328) is included in creditors due within one year.

# Axminster Tool Centre Limited

## Notes to the Financial Statements

Year Ended 30 April 2020

### 19 Share capital

#### Allotted, called up and fully paid shares

|                            | No.            | 2020<br>£      | No.            | 2019<br>£      |
|----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |

### 20 Contingent liabilities

On 18 September 2002, an unlimited cross guarantee was given by the company, its parent company and a fellow subsidiary to the group's bankers. The amount guaranteed is £nil (2019: £18,722).

### 21 Related party transactions

#### Key management personnel

Key management are considered to be the directors and their total compensation is shown in note 6.

#### Summary of transactions with key management

Certain Directors were owed a total of £133,718 by the company at 30 April 2020 (£378,131 at 30 April 2019). Interest is charged at 4% per annum on these loans which are repayable on demand.

#### Summary of transactions with other related parties

Certain family members of directors and shareholders were owed a total of £440,032 by the company at 30 April 2020 (£248,916 at 30 April 2019). Interest is charged at 4% per annum on these loans which are repayable on demand.

During the year the company was charged £542,250 (2019: £519,000) in rent by The Styles Family Pension Scheme. During the prior year the company also paid certain expenses on behalf of the Styles Family Pension Scheme totalling £34,540. There was no balance owed to the Styles Family Pension Scheme as at 30 April 2020 (£23,020 owed by Styles Family Pension Scheme at 30 April 2019).

During the year the company was charged £80,000 (2019: £80,000) in rent by the Axminster Tools Staff Pension scheme. There was no balance outstanding as at 30 April 2020 (£nil at 30 April 2019).

At the balance sheet date the amount due from a property partnership between certain directors was £104,547 (2019: £139,547), management charges of £35,000 were charged to the partnership during the year.

## **Axminster Tool Centre Limited**

### **Notes to the Financial Statements**

**Year Ended 30 April 2020**

#### **22 Parent and ultimate parent undertaking**

The company's immediate and ultimate parent company is Styles & Brown Limited, incorporated in England and Wales. This is the smallest group in which the results of the company are consolidated. The registered office of Styles & Brown Limited is Unit 10, Weycroft Avenue, Millwey Rise Industrial Estate, Axminster, EX13 5PH.