

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
D H FOODS LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2020**

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D H FOODS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTOR: T Hale

REGISTERED OFFICE: Unit 1 Kingfisher House
Trinity Business Park
Trinity Way
London
E4 8TD

REGISTERED NUMBER: 03721777 (England and Wales)

AUDITORS: Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The director presents his strategic report for the year ended 31 March 2020.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Our turnover in Asia has been reduced significantly. The company made the decision to go from a documentation and invoice basis to a commission basis with one of our main suppliers as the volume of business was expanding rapidly. This would have led to an exposure to the Asian market which the Board of Directors felt would have been unsustainable. This has resulted in a reduction of turnover during the year and, also made it necessary to reduce the number of staff employed by the company.

The company is still selling to the Asian market but the majority of the business is now based in the UK and the Eurozone, which is a more stable market.

Despite the reduction in turnover the profitability of the company has increased during the year.

The company is committed to reduce costs further in the coming year and is always looking to expand its customer base in the UK and Europe. This is despite the difficulties caused by the Covid-19 crisis, during which the company has continued trading without interruption.

We have retained our reserves in the company to maintain liquidity to ensure we have funds readily available to pay our creditors when they fall due, and also to be prepared for the uncertainty of Brexit, as we are still unsure of what additional work we may need to take on.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is subject to the normal commercial risks that arise in the ordinary course of business. These risks are reviewed by the Board of Directors as part of ongoing Corporate Governance procedures.

Bad debts

The company has credit insurance in place in order to limit exposure to bad debts.

Customer base

The company has a large number of customers that they deal with on a regular basis. The director believes it is important to maintain a large customer base to prevent the company becoming overly reliant on one or more particular customers.

Foreign currency

Some of the company's transactions have been in foreign currencies. The company trades in Sterling, Euros and US Dollars. In order to reduce exposure to foreign currency fluctuations, the company uses forward exchange contracts. Looking forward, the company will be less exposed to foreign exchange risk due to the changes highlighted above.

Exposure to credit, liquidity and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to fulfil their obligation. The company aims to minimise such losses by securing appropriate instruments with a reputable bank.

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations as they fall due. The company aims to reduce this risk by managing cash operations and considering future cash obligations before any material cash flows are undertaken.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The company manages this risk, where significant, by use of forward exchange contracts as explained above.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

KEY PERFORMANCE INDICATORS

The company uses the following key performance indicators to monitor the performance of the business:

	2020	2019
Turnover	£12,121,466	£41,949,054
Profit/(loss) before tax	£845,849	£735,309
Gross profit margin	8.8%	2.3%
Debtor days	75 days	15 days

ON BEHALF OF THE BOARD:

T Hale - Director

14 December 2020

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2020**

The director presents his report with the financial statements of the company for the year ended 31 March 2020.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2020 will be £ 4,000 .

FUTURE DEVELOPMENTS

The company intends to continue to develop its customer base and to increase its market share in Asia. Where demand is anticipated, the company's product range will be expanded to suit.

DIRECTOR

T Hale held office during the whole of the period from 1 April 2019 to the date of this report.

FINANCIAL INSTRUMENTS

Details of financial instruments are provided in the strategic report on page 2.

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

T Hale - Director

14 December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF D H FOODS LIMITED

Opinion

We have audited the financial statements of D H Foods Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF D H FOODS LIMITED

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 four, 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.

S T Blundell ACA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

14 December 2020

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
TURNOVER	3	12,121,466	41,949,054
Cost of sales		11,056,730	41,003,818
GROSS PROFIT		<u>1,064,736</u>	<u>945,236</u>
Administrative expenses		<u>324,083</u>	<u>349,323</u>
		740,653	595,913
Other operating income		11,139	41,351
OPERATING PROFIT	5	<u>751,792</u>	<u>637,264</u>
Interest receivable and similar income		<u>94,057</u>	<u>98,077</u>
		845,849	735,341
Interest payable and similar expenses	6	-	32
PROFIT BEFORE TAXATION		<u>845,849</u>	<u>735,309</u>
Tax on profit	7	165,677	128,331
PROFIT FOR THE FINANCIAL YEAR		<u>680,172</u>	<u>606,978</u>
OTHER COMPREHENSIVE LOSS			
Revaluation of unlisted investments		(410)	(380)
Income tax relating to other comprehensive loss		78	72
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX		<u>(332)</u>	<u>(308)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>679,840</u>	<u>606,670</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	9		6,552		17,545
Investments	10		<u>377,054</u>		<u>377,282</u>
			383,606		394,827
CURRENT ASSETS					
Debtors	11	3,321,783		2,286,028	
Cash at bank and in hand		<u>2,641,344</u>		<u>2,441,674</u>	
		5,963,127		4,727,702	
CREDITORS					
Amounts falling due within one year	12	<u>1,818,059</u>		<u>1,269,695</u>	
NET CURRENT ASSETS			<u>4,145,068</u>		<u>3,458,007</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,528,674</u>		<u>3,852,834</u>
CAPITAL AND RESERVES					
Called up share capital	16		1,000		1,000
Revaluation reserve	17		1,838		2,170
Other reserves	17		68,200		68,200
Retained earnings	17		<u>4,457,636</u>		<u>3,781,464</u>
SHAREHOLDERS' FUNDS			<u>4,528,674</u>		<u>3,852,834</u>

The financial statements were approved by the director and authorised for issue on 14 December 2020 and were signed by:

T Hale - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Other reserves £	Total equity £
Balance at 1 April 2018	1,000	3,178,486	2,478	68,200	3,250,164
Changes in equity					
Dividends	-	(4,000)	-	-	(4,000)
Total comprehensive income	-	606,978	(308)	-	606,670
Balance at 31 March 2019	<u>1,000</u>	<u>3,781,464</u>	<u>2,170</u>	<u>68,200</u>	<u>3,852,834</u>
Changes in equity					
Dividends	-	(4,000)	-	-	(4,000)
Total comprehensive income	-	680,172	(332)	-	679,840
Balance at 31 March 2020	<u>1,000</u>	<u>4,457,636</u>	<u>1,838</u>	<u>68,200</u>	<u>4,528,674</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	238,162	768,013
Interest paid		-	(32)
Tax paid		(129,497)	(228,944)
Net cash from operating activities		<u>108,665</u>	<u>539,037</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,870)	(786)
Purchase of fixed asset investments		(182)	(100,182)
Interest received		94,057	98,077
Net cash from investing activities		<u>91,005</u>	<u>(2,891)</u>
Cash flows from financing activities			
Net movement of director's funds		4,000	(5,000)
Equity dividends paid		(4,000)	(4,000)
Net cash from financing activities		<u>-</u>	<u>(9,000)</u>
Increase in cash and cash equivalents		<u>199,670</u>	<u>527,146</u>
Cash and cash equivalents at beginning of year	2	2,441,674	1,914,528
Cash and cash equivalents at end of year	2	<u>2,641,344</u>	<u>2,441,674</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

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

	2020 £	2019 £
Profit before taxation	845,849	735,309
Depreciation charges	13,863	10,285
Finance costs	-	32
Finance income	(94,057)	(98,077)
	<u>765,655</u>	<u>647,549</u>
(Increase)/decrease in trade and other debtors	(1,034,539)	2,566,787
Increase/(decrease) in trade and other creditors	<u>507,046</u>	<u>(2,446,323)</u>
Cash generated from operations	<u><u>238,162</u></u>	<u><u>768,013</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2020

	31.3.20 £	1.4.19 £
Cash and cash equivalents	<u>2,641,344</u>	<u>2,441,674</u>

Year ended 31 March 2019

	31.3.19 £	1.4.18 £
Cash and cash equivalents	<u>2,441,674</u>	<u>1,914,528</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank and in hand	<u>2,441,674</u>	<u>199,670</u>	<u>2,641,344</u>
	<u>2,441,674</u>	<u>199,670</u>	<u>2,641,344</u>
Total	<u><u>2,441,674</u></u>	<u><u>199,670</u></u>	<u><u>2,641,344</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover in the year represents both the amount derived from the provision of goods and commissions received for the facilitation of the provision of goods after deduction of trade discounts and value added tax.

Turnover, when relating to the provision of goods, is recognised as soon as the goods become the responsibility of the customer or their transport agents, which is typically on a 'back to back' arrangement with the corresponding supplier dispatch.

Turnover relating to commission income is recognised when the goods to which it relates are loaded onto the container for shipping. The company charges for commission in the month after which the goods are shipped.

Tangible fixed assets

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

Fixtures and fittings	- Straight line over 3 years
Computer equipment	- Straight line over 3 years

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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued**Hire purchase and leasing commitments**

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Investment

The company makes fixed asset investments which are disclosed at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of profit or loss.

Derivative financial instruments

Derivative financial instruments are recognised at fair value with any gains or losses being charged to profit and loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Trade	11,363,669	41,866,088
Commission	757,797	82,966
	<u>12,121,466</u>	<u>41,949,054</u>

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	6,050,194	1,525,859
Other EU countries	3,968,283	4,950,217
Non EU countries	2,102,989	35,472,978
	<u>12,121,466</u>	<u>41,949,054</u>

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	360,506	283,238
Social security costs	42,272	32,680
Other pension costs	15,640	16,424
	<u>418,418</u>	<u>332,342</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

4. EMPLOYEES AND DIRECTORS - continued

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

	2020	2019
Sales and management	2	2
Administration	<u>4</u>	<u>5</u>
	<u>6</u>	<u>7</u>
	2020	2019
	£	£
Director's remuneration	15,000	15,000
Director's pension contributions to money purchase schemes	<u>12,000</u>	<u>12,000</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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5. OPERATING PROFIT

The operating profit is stated after charging:

	2020	2019
	£	£
Other operating leases	4,152	5,673
Depreciation - owned assets	13,863	10,285
Auditors' remuneration	6,850	6,354
Auditors' remuneration - non-audit services	<u>-</u>	<u>1,923</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank and loan interest	-	95
Interest payable	<u>-</u>	<u>(63)</u>
	<u>-</u>	<u>32</u>

7. TAXATION**Analysis of the tax charge**

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	166,824	129,494
Under/over provision	<u>(9)</u>	<u>-</u>
Total current tax	166,815	129,494
Deferred tax	<u>(1,138)</u>	<u>(1,163)</u>
Tax on profit	<u>165,677</u>	<u>128,331</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	<u>845,849</u>	<u>735,309</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	160,711	139,709
Effects of:		
Expenses not deductible for tax purposes	4,966	1,720
Income not taxable for tax purposes	-	(13,740)
Depreciation in excess of capital allowances	-	642
Total tax charge	<u>165,677</u>	<u>128,331</u>

Tax effects relating to effects of other comprehensive income

	2020 Gross £	Tax £	Net £
Revaluation of unlisted investments	<u>(410)</u>	<u>78</u>	<u>(332)</u>
	2019 Gross £	Tax £	Net £
Revaluation of unlisted investments	<u>(380)</u>	<u>72</u>	<u>(308)</u>

Deferred tax has been calculated at 19% being the applicable tax rate for the year ended 31 March 2019. The applicable tax rate used in the previous period was also 19%.

8. DIVIDENDS

	2020 £	2019 £
A Ordinary shares of £1 each		
Interim	2,000	2,000
B Ordinary shares of £1 each		
Interim	<u>2,000</u>	<u>2,000</u>
	<u>4,000</u>	<u>4,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2019	52,704	60,691	113,395
Additions	1,767	1,103	2,870
Disposals	-	(32,461)	(32,461)
At 31 March 2020	<u>54,471</u>	<u>29,333</u>	<u>83,804</u>
DEPRECIATION			
At 1 April 2019	38,446	57,404	95,850
Charge for year	10,764	3,099	13,863
Eliminated on disposal	-	(32,461)	(32,461)
At 31 March 2020	<u>49,210</u>	<u>28,042</u>	<u>77,252</u>
NET BOOK VALUE			
At 31 March 2020	<u>5,261</u>	<u>1,291</u>	<u>6,552</u>
At 31 March 2019	<u>14,258</u>	<u>3,287</u>	<u>17,545</u>

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 April 2019	377,282
Additions	182
Revaluations	(410)
At 31 March 2020	<u>377,054</u>
NET BOOK VALUE	
At 31 March 2020	<u>377,054</u>
At 31 March 2019	<u>377,282</u>

Cost or valuation at 31 March 2020 is represented by:

	Unlisted investments £
Valuation in 2017	5,124
Valuation in 2018	(2,065)
Valuation in 2019	(380)
Valuation in 2020	(410)
Cost	<u>374,785</u>
	<u>377,054</u>

There are three different fixed asset investments included in the above balance. One of the investments was valued on an open market basis on 8 April 2020 by Atlas Fine Wines Limited and the values of the other two have been considered by the director.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

11. DEBTORS

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,457,157	1,666,521
Other debtors	17,827	581,229
Deferred tax asset	11,588	10,372
Prepayments and accrued income	85,211	27,906
	<u>2,571,783</u>	<u>2,286,028</u>
Amounts falling due after more than one year:		
Other debtors	<u>750,000</u>	<u>-</u>
Aggregate amounts	<u>3,321,783</u>	<u>2,286,028</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	1,509,878	992,951
Corporation tax	166,812	129,494
Social security and other taxes	18,842	3,759
Other creditors	-	24,228
Director's current account	4,000	-
Accrued expenses	118,527	119,263
	<u>1,818,059</u>	<u>1,269,695</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	24,839	24,839
Between one and five years	1,256	26,095
	<u>26,095</u>	<u>50,934</u>

14. SECURED DEBTS

Lloyds TSB Bank plc and T Hale (the company director) have debentures dated 8 May 2007 and 22 February 2011 respectively securing all monies due or to become due from the company on any account whatsoever. Both carry fixed and floating charges over the undertaking of all property and assets present and future.

15. DEFERRED TAX

	£
Balance at 1 April 2019	(10,372)
Provided during year	(1,216)
Balance at 31 March 2020	<u>(11,588)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

15. DEFERRED TAX - continued

The deferred tax liability noted above reflects timing differences between depreciation and capital allowances. It also reflects the deferred tax on share based payments and on the upwards revaluation of unlisted investments.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
750	A Ordinary	£1	750	750
250	B Ordinary	£1	250	250
			<u>1,000</u>	<u>1,000</u>

17. RESERVES

	Retained earnings £	Revaluation reserve £	Other reserves £	Totals £
At 1 April 2019	3,781,464	2,170	68,200	3,851,834
Profit for the year	680,172			680,172
Dividends	(4,000)			(4,000)
Unlisted investments	-	(332)	-	(332)
At 31 March 2020	<u>4,457,636</u>	<u>1,838</u>	<u>68,200</u>	<u>4,527,674</u>

Other reserves includes a balance in respect of the company's Enterprise Management Incentive scheme, the estimated cost of which has been recognised in the statement of comprehensive income.

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme in respect of certain employees. During the year premiums paid by the company amounted to £15,640 (2019 - £16,424). At the balance sheet date there were no amounts outstanding.

19. RELATED PARTY DISCLOSURES

During the year, the company's total compensation to key management personnel (including directors) amounted to £320,578 (2019 - £232,342). At the balance sheet date, the company owed key management personnel £4,000 (2019 - £nil).

During the year the company charged £41,230 (2019 - £27,351) in respect of office and management services to a partnership controlled by key management personnel, and at the balance sheet date, the company was owed £41,230 (2019 - £27,351).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

20. APPROVED ENTERPRISE MANAGEMENT INCENTIVE (EMI) SCHEME

An approved EMI scheme was introduced in May 2010 to encourage a pro-active environment for the participation of key management in share ownership.

The exercise conditions of this scheme are set out below:

Percentage of option	Exercise Date
First 25%	3 years after the grant of the option
Second 25%	3.5 years after the grant of the option
Third 25%	4 years after the grant of the option
Final 25%	4.5 years after the grant of the option

An option is exercisable where the participant continues to be an employee of the company and, in any event, cannot be exercised on or after the tenth anniversary of the grant date.

Options representing a total of 200 ordinary shares are currently allocated to the employees invited to join the scheme. The exercise price for the option holders is £847.

Total expense recognised relating to the scheme is £68,200.

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