

COMPANY REGISTRATION NUMBER: 3863571

Resapol Limited
Financial Statements
31 December 2019

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Resapol Limited
Financial Statements
Year ended 31 December 2019

Contents	Page
Strategic report	1
Directors' report	3
Independent auditor's report to the members	5
Income statement	9
Statement of income and retained earnings	10
Statement of financial position	11
Statement of cash flows	13
Notes to the financial statements	14
The following pages do not form part of the financial statements	
Detailed income statement	25
Notes to the detailed income statement	26

Resapol Limited

Strategic Report

Year ended 31 December 2019

BUSINESS REVIEW

This has been another year of continued growth. Turnover has increased further and margins have remained static due to market forces in some areas of the business. During the year the next phase has been implemented in the future growth strategy. Our focus has been to further widen the customer base and develop long term strategic relationships with all our customers.

Our strategic objectives remain to continue to build the company's profitability, drive return on capital employed and maintain an appropriate capital structure. The company remains in a healthy financial position. Current trading is good despite the impact of COVID-19 and we are confident in the outlook given the strategy we have in place. We expect to make further progress in the current financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are committed to identifying , evaluating and managing the principal risks and uncertainties facing the company. These risks are identified and assessed regularly and are measured against a defined set of criteria which includes the likelihood of occurrence and potential impact on the company.

this information is combined to form a consolidated view of risk and ensures that we continue to improve our risk management process and the quality of risk information generated, whilst at the same time maintaining a simple and practical approach. The directors believe a successful risk management framework balances risk and reward and applies reasoned judgement and consideration of likelihood and impact in determining the company's principal risks.

As with any business we do face risks and uncertainties, both operationally and commercially, on a daily basis. it is the effective management of these that places us in a better positions to be able to achieve our strategic objectives and to embrace opportunities as they arise.

The principal risks to the business are economic environment, product quality, pricing and financial.

The effects of national or market trends may cause customers to postpone, reduce or change their purchasing patterns which may impact on the company's strategy, business model, revenue or profitability in the short or medium term. We continually review available market information to mitigate any effects of this by adapting our business model. Product quality is monitored on a continuous basis and the company complying with ISO 14001:2015, ISO 9001:2015 and OHSAS 18001:2007 accreditations from LRQA to to manage product risk.

It is essential that the financial solvency and the strength of the business, of customers and suppliers is reviewed on a regular basis. Similarly credit risk - the risk of financial loss arising from the failure of a customer to meet its payment obligation - is carefully managed but as the bulk of the company's debtors are well established, financially sound companies, the directors believe that their risk in this area is low.

KEY PERFORMANCE INDICATORS

The company uses various Key Performance Indicators(KPI's) of both a financial and non financial nature to measure its day to day operational activities and the longer term health of the business. When considering future outlook and the goals to be achieved, efforts are focused on those areas of greatest significance to the business.

The company's main KPI's are turnover and gross profit which are detailed in the financial statements.

Resapol Limited

Strategic Report *(continued)*

Year ended 31 December 2019

This report was approved by the board of directors on 29 September 2020 and signed on behalf of the board by:



Mr S Ofsarnie
Director

Registered office:
Crown House
High Street
Tyldesley
Manchester
M29 8AL

Resapol Limited

Directors' Report

Year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Directors

The directors who served the company during the year were as follows:

Mr L Phillips
Mr S Ofsarnie
Mr D Playfor

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Future developments

The directors anticipate the business environment will remain competitive. They believe that the company is in a good financial position and that the risks have been identified are being well managed. With careful focus on appropriate diversification and development of new products, as well as continuing review of the state of the market and the activities of competitors, the directors are confident in the company's ability to maintain and build on this position.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' 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 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Resapol Limited

Directors' Report *(continued)*

Year ended 31 December 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 29 September 2020 and signed on behalf of the board by:



Mr S Ofsarnie
Director

Registered office:
Crown House
High Street
Tyldesley
Manchester
M29 8AL

Resapol Limited

Independent Auditor's Report to the Members of Resapol Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of Resapol Limited (the 'company') for the year ended 31 December 2019 which comprise the income statement, statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Resapol Limited

Independent Auditor's Report to the Members of Resapol Limited *(continued)*

Year ended 31 December 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement, 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.

Resapol Limited

Independent Auditor's Report to the Members of Resapol Limited *(continued)*

Year ended 31 December 2019

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Resapol Limited

Independent Auditor's Report to the Members of Resapol Limited *(continued)*

Year ended 31 December 2019

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

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.



Philip Martin (Senior Statutory Auditor)

For and on behalf of
Philip Martin Limited
Chartered accountants & statutory auditor
Crown House
4 High Street
Tyldesley
Manchester
M29 8AL

29 September 2020

Resapol Limited
Income Statement
Year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	20,154,973	18,986,833
Cost of sales		<u>15,363,221</u>	<u>14,411,308</u>
Gross profit		4,791,752	4,575,525
Distribution costs		1,041,371	893,647
Administrative expenses		3,949,025	3,401,986
Other operating income	5	<u>537,426</u>	<u>590,151</u>
Operating profit	6	338,782	870,043
Other interest receivable and similar income	9	17	47
Interest payable and similar expenses	10	<u>7,182</u>	<u>8,169</u>
Profit before taxation		331,617	861,921
Tax on profit	11	<u>34,486</u>	<u>177,202</u>
Profit for the financial year		<u>297,131</u>	<u>684,719</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 23 form part of these financial statements.

Resapol Limited

Statement of Income and Retained Earnings

Year ended 31 December 2019

	Note	2019 £	2018 £
Profit for the financial year and total comprehensive income		297,131	684,719
Dividends paid and payable	12	(582,082)	(321,094)
Retained earnings at the start of the year		1,310,631	947,006
Retained earnings at the end of the year		<u>1,025,680</u>	<u>1,310,631</u>

The notes on pages 14 to 23 form part of these financial statements.

Resapol Limited
Statement of Financial Position
31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	82,996	90,220
Tangible assets	14	435,991	780,362
		<u>518,987</u>	<u>870,582</u>
Current assets			
Stocks	15	1,169,556	1,323,425
Debtors	16	3,926,468	4,169,982
Cash at bank and in hand		62,461	91,384
		<u>5,158,485</u>	<u>5,584,791</u>
Creditors: amounts falling due within one year	18	<u>4,583,768</u>	<u>5,049,754</u>
Net current assets		<u>574,717</u>	<u>535,037</u>
Total assets less current liabilities		<u>1,093,704</u>	<u>1,405,619</u>
Creditors: amounts falling due after more than one year			
	19	33,661	23,099
Provisions			
Taxation including deferred tax	21	33,772	71,298
Net assets		<u>1,026,271</u>	<u>1,311,222</u>

The statement of financial position
continues on the following page.
The notes on pages 14 to 23 form part of these financial statements.

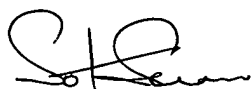
Resapol Limited

Statement of Financial Position *(continued)*

31 December 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	24	591	591
Profit and loss account		<u>1,025,680</u>	<u>1,310,631</u>
Shareholders funds		<u>1,026,271</u>	<u>1,311,222</u>

These financial statements were approved by the board of directors and authorised for issue on 29 September 2020, and are signed on behalf of the board by:



Mr S Ofsarnie
Director

Company registration number: 3863571

The notes on pages 14 to 23 form part of these financial statements.

Resapol Limited
Statement of Cash Flows
Year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		297,131	684,719
<i>Adjustments for:</i>			
Depreciation of tangible assets		295,547	169,691
Amortisation of intangible assets		7,224	6,405
Other interest receivable and similar income		(17)	(47)
Interest payable and similar expenses		7,182	8,169
(Gains)/loss on disposal of tangible assets		(13,500)	16,450
Tax on profit		34,486	177,202
Accrued (income)/expenses		(21,939)	55,756
<i>Changes in:</i>			
Stocks		153,869	(155,956)
Trade and other debtors		243,514	(584,091)
Trade and other creditors		(278,413)	364,407
Cash generated from operations		725,084	742,705
Interest paid		(7,182)	(8,169)
Interest received		17	47
Tax paid		(206,020)	(220,908)
Net cash from operating activities		<u>511,899</u>	<u>513,675</u>
Cash flows from investing activities			
Purchase of tangible assets		(92,676)	(66,710)
Proceeds from sale of tangible assets		155,000	(1)
Net cash from/(used in) investing activities		<u>62,324</u>	<u>(66,711)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,682	31
Payments of finance lease liabilities		(4,635)	(82,483)
Dividends paid		(582,082)	(321,094)
Net cash used in financing activities		<u>(585,035)</u>	<u>(403,546)</u>
Net (decrease)/increase in cash and cash equivalents		(10,812)	43,418
Cash and cash equivalents at beginning of year		(1,981,367)	(2,024,784)
Cash and cash equivalents at end of year	17	<u>(1,992,179)</u>	<u>(1,981,366)</u>

The notes on pages 14 to 23 form part of these financial statements.

Resapol Limited

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Crown House, High Street, Tyldesley, Manchester, M29 8AL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements There were no material judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There were no material key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Resapol Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2019

3. Accounting policies (continued)

Income tax (continued)

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

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

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

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	2% straight line
Plant & machinery	-	20% straight line
Motor vehicles	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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

Defined contribution plans

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

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	<u>20,154,973</u>	<u>18,986,833</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2019	2018
	£	£
Commission receivable	535,067	584,517
Other operating income	<u>2,359</u>	<u>5,634</u>
	<u>537,426</u>	<u>590,151</u>

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Amortisation of intangible assets	7,224	6,405
Depreciation of tangible assets	295,547	169,691
(Gains)/loss on disposal of tangible assets	(13,500)	16,450
Impairment of trade debtors	24,524	13,723

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Administrative staff	66	60

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	1,639,854	1,476,891
Social security costs	177,603	155,044
Other pension costs	84,867	81,956
	1,902,324	1,713,891

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	98,882	94,156
Company contributions to defined contribution pension plans	51,199	51,272
	150,081	145,428

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	No.	No.
Defined contribution plans	3	3

9. Other interest receivable and similar income

	2019	2018
	£	£
Interest on cash and cash equivalents	17	47

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

10. Interest payable and similar expenses

	2019	2018
	£	£
Interest on obligations under finance leases and hire purchase contracts	<u>7,182</u>	<u>8,169</u>

11. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	95,480	182,551
Deferred tax:		
Origination and reversal of timing differences	<u>(60,994)</u>	<u>(5,349)</u>
Tax on profit	<u>34,486</u>	<u>177,202</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	<u>331,617</u>	<u>861,921</u>
Profit on ordinary activities by rate of tax	63,007	163,765
Effect of expenses not deductible for tax purposes	56,325	2,764
Effect of capital allowances and depreciation	(23,852)	16,022
Deferred taxation	<u>(60,994)</u>	<u>(5,349)</u>
Tax on profit	<u>34,486</u>	<u>177,202</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019	2018
	£	£
Dividends on ordinary shares	<u>582,082</u>	<u>321,094</u>

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

13. Intangible assets

	Goodwill £
Cost	
At 1 January 2019 and 31 December 2019	<u>135,444</u>
Amortisation	
At 1 January 2019	45,224
Charge for the year	7,224
At 31 December 2019	<u>52,448</u>
Carrying amount	
At 31 December 2019	<u>82,996</u>
At 31 December 2018	<u>90,220</u>

14. Tangible assets

	Short leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2019	300,000	1,244,735	271,953	1,816,688
Additions	–	54,964	37,712	92,676
Disposals	(300,000)	–	–	(300,000)
At 31 December 2019	<u>–</u>	<u>1,299,699</u>	<u>309,665</u>	<u>1,609,364</u>
Depreciation				
At 1 January 2019	9,000	775,666	251,660	1,036,326
Charge for the year	141,000	128,251	26,296	295,547
Disposals	(150,000)	–	(8,500)	(158,500)
At 31 December 2019	<u>–</u>	<u>903,917</u>	<u>269,456</u>	<u>1,173,373</u>
Carrying amount				
At 31 December 2019	<u>–</u>	<u>395,782</u>	<u>40,209</u>	<u>435,991</u>
At 31 December 2018	<u>291,000</u>	<u>469,069</u>	<u>20,293</u>	<u>780,362</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31 December 2019	<u>143,122</u>
At 31 December 2018	<u>116,951</u>

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

15. Stocks

	2019	2018
	£	£
Finished goods and goods for resale	<u>1,169,556</u>	<u>1,323,425</u>

16. Debtors

	2019	2018
	£	£
Trade debtors	2,940,457	3,250,615
Accrued income	674,080	652,109
Other debtors	<u>311,931</u>	<u>267,258</u>
	<u>3,926,468</u>	<u>4,169,982</u>

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019	2018
	£	£
Cash at bank and in hand	62,461	91,384
Bank overdrafts	<u>(2,031,172)</u>	<u>(2,072,751)</u>
	<u>(1,968,711)</u>	<u>(1,981,367)</u>

18. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	2,031,172	2,072,751
Trade creditors	2,103,838	2,359,767
Accruals and deferred income	34,670	56,609
Corporation tax	95,480	206,020
Social security and other taxes	235,961	246,406
Obligations under finance leases and hire purchase contracts	52,011	67,208
Director loan accounts	1,713	31
Other creditors	<u>28,923</u>	<u>40,962</u>
	<u>4,583,768</u>	<u>5,049,754</u>

The bank facility is secured by a fixed and floating charge over all the assets of the company. The hire purchase agreements are secured against the assets to which they relate.

19. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Obligations under finance leases and hire purchase contracts	<u>33,661</u>	<u>23,099</u>

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019	2018
	£	£
Not later than 1 year	52,011	67,208
Later than 1 year and not later than 5 years	33,661	23,099
	<u>85,672</u>	<u>90,307</u>

21. Provisions

	Deferred tax (note 22) £
At 1 January 2019	71,298
Additions	(37,526)
At 31 December 2019	<u>33,772</u>

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 21)	<u>33,772</u>	<u>71,298</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	<u>33,772</u>	<u>71,298</u>

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £33,668 (2018: £30,684).

24. Called up share capital

Authorised share capital

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Class AA to AD shares of £1 each	500	500	500	500
Class AF to BW shares of £1 each	4,500	4,500	4,500	4,500
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

Resapol Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

24. Called up share capital *(continued)*

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	91	91	91	91
Class AA to AD shares of £1 each	500	500	500	500
	<u>591</u>	<u>591</u>	<u>591</u>	<u>591</u>

25. Analysis of changes in net debt

	At 1 Jan 2019	Cash flows	At 31 Dec 2019
	£	£	£
Cash at bank and in hand	91,384	(28,923)	62,461
Bank overdrafts	(2,072,751)	41,579	(2,031,172)
Debt due within one year	(67,239)	13,515	(53,724)
Debt due after one year	(23,099)	(10,562)	(33,661)
	<u>(2,071,705)</u>	<u>15,609</u>	<u>(2,056,096)</u>

26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Later than 1 year and not later than 5 years	81,944	82,215
Later than 5 years	412,448	396,615
	<u>494,392</u>	<u>478,830</u>

27. Directors' advances, credits and guarantees

Included within other creditors is an amount of £31 (2017 £31) owed to Mr L Phillips.

28. Related party transactions

The company was under the control of Mr Lloyd Phillips throughout the current and previous year. Mr Phillips is the managing director and majority shareholder.

29. Controlling party

The controlling party is Mr L Phillips.