

Registered number: 05863061

# **B. & B. Attachments (Holdings) Limited**

**Annual report**

**31 December 2020**

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## **B. & B. Attachments (Holdings) Limited**

### **Company information**

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<b>Directors</b>	M R Barton J W Lamberth
<b>Company secretary</b>	S A Little
<b>Registered number</b>	05863061
<b>Registered office</b>	Unit 46 Colbourne Avenue Nelson Park Industrial Estate Cramlington NE23 1WD
<b>Independent auditor</b>	UNW LLP Chartered Accountants St James' Boulevard Newcastle upon Tyne NE1 4JE

## **B. & B. Attachments (Holdings) Limited**

### **Contents**

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	<b>Page</b>
Group strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report to the members of B & B Attachments (Holdings) Limited	6 - 9
Consolidated statement of comprehensive income	10
Consolidated balance sheet	11
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated Statement of cash flows	15 - 16
Analysis of net debt	17
Notes to the financial statements	18 - 34

## **B. & B. Attachments (Holdings) Limited**

### **Group strategic report Year ended 31 December 2020**

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#### **Introduction**

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

#### **Business review**

The financial year ended 31 December 2020 saw annual turnover decrease by 8%. This fared better than the UK forklift truck sales, which saw a downturn of 23.7% year on year. A good order book was carried over which saw the group have a solid start to the year.

At the end of March 2020, the business entered an unprecedented trading environment because of the Covid-19 global pandemic. An immediate risk review was undertaken, and measures put in place to ensure that the business would continue to trade and achieve its targets and objectives. These included:

- Government sponsored Furlough scheme where necessary were adopted, allowing the group to retain insofar as possible its skilled workforce to align with prevailing and anticipated customer demand.
- Taking advantage of the VAT deferral scheme until March 2021 and Coronavirus Business Interruption Loan Scheme, helping to maintain and protect cashflow.
- Weekly meetings held by members of the board, focusing on COVID, Cash, Supplier and Customer demands.
- Ensuring all Government guidelines were being implemented and adhered, safeguarding our staff.
- A shift to home working across the business for all staff who were able to do so. Whilst this was a fundamental change, the transition has proved seamless with many staff accessing systems from home with minimal disruption.

The group has continued to keep costs as low as possible in the face of the increased import costs driven by the fall in sterling. The impact of COVID-19 also reduced motor running costs and hotel, travel and subsistence.

Profits for the year have remained reasonable, given the uncertainty around BREXIT and Covid-19. The Board are therefore satisfied that the detrimental impacts of Covid-19 were mitigated by a combination of internal improvements, safeguarding measures introduced and where necessary government support schemes.

The Directors are grateful to Kaup GmbH, a long-standing trading partner and supplier, for their continued support.

## **B. & B. Attachments (Holdings) Limited**

### **Group strategic report (continued)** **Year ended 31 December 2020**

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#### **Principal risks and uncertainties**

The group is exposed to a number of financial risks, namely:

##### **Commodity Price Risk**

The group manages commodity risk through competitive sourcing and review of supplier's and competitor's pricing.

##### **Liquidity Risk**

The group manages liquidity risk through use of short-term financing facilities, financing of major capital additions over periods ranging from 3-5 years and controlling overhead spend.

##### **Regulatory Risk**

The group is subject to a broad range of laws, regulations and standards. The main regulatory risks to the group arise from Health and Safety legislation. The group is ISO9001:2015 compliant. Regular health and safety meetings are held with an external advisor to review current practices. Staff are briefed on health and safety and issued with appropriate protective equipment for their duties.

##### **Foreign Exchange Risk**

The group purchases from both Europe and the USA, however, a large proportion of the customer base are UK based. As a result the group is exposed to falls in the value of sterling. It is the group's policy to cover cashflows through forward contracts and the group is actively working to grow exports which provide a natural hedge.

#### **Financial key performance indicators**

The Directors monitor several KPIs however their main concern is revenue, margin%, Profit after tax and overall profitability:

	<b>2020</b>	<b>2019</b>
Revenues (£)	10,656,947	11,587,655
Margin (%)	38.2	39.5
Profit after tax (£)	101,343	395,678
Staff numbers	73	73

This report was approved by the board on 19 April 2021 and signed on its behalf.



**M R Barton**  
Director

## **B. & B. Attachments (Holdings) Limited**

### **Directors' report Year ended 31 December 2020**

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

#### **Principal activity**

The principal activity of the group continued to be that of the distribution, service and hire of fork lift truck attachments.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £161,361 (2019 - £395,678).

Ordinary dividends were paid amounting to £100,000 (2019: £120,000). The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who served during the year were:

M R Barton  
J W Lamberth

#### **Matters covered in the strategic report**

The following information, which would otherwise be disclosed in the directors' report, is instead disclosed in the strategic report as permitted by s414C(11) of the Companies Act 2006:

- financial risk management objectives and policies

#### **Future developments**

The Board remains committed to continuing development of the business and growing turnover and profit. There is a continued focus on export markets and developing international trade relationships. The Board has plans for further international exhibitions in 2022.

The Board are keen to promote B&B's own manufactured products and are developing a marketing strategy to promote these within the UK and International markets.

The Board recognises the need to develop IT reporting tools to support the manufacturing process. The Board plans to continue development of the group's online offering and back-office IT systems.

#### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

## **B. & B. Attachments (Holdings) Limited**

**Directors' report (continued)**  
**Year ended 31 December 2020**

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### **Auditor**

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP therefore will continue in office.

This report was approved by the board on 19 April 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M R Barton', followed by a long, flowing horizontal stroke.

**M R Barton**  
Director

## **B. & B. Attachments (Holdings) Limited**

### **Directors' responsibilities statement Year ended 31 December 2020**

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The directors are responsible for preparing responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with Irish 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Group and of the profit or loss of the Group 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.





## **Independent auditor's report to the members of B. & B. Attachments (Holdings) Limited**

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### **Opinion**

We have audited the financial statements of B. & B. Attachments (Holdings) Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of cash flows, the Group and company statement of changes in equity 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 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 Group's and of the parent company's affairs as at 31 December 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## **Independent auditor's report to the members of B. & B. Attachments (Holdings) Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' 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.

### **Opinion 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 group 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 group 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



## **Independent auditor's report to the members of B. & B. Attachments (Holdings) Limited (continued)**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have 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 an auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by auditing standards) and from inspection of the group's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our team and remained alert to any indications of non compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection and certain aspects of company legislation, recognising the nature of the group's activities. Auditing standards limit the required audit procedures to identify non compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.



## **Independent auditor's report to the members of B. & B. Attachments (Holdings) Limited (continued)**

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In addition, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non compliance and cannot be expected to detect non compliance with all laws and regulations.

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 auditors' report.

### **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 auditors' 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.

A handwritten signature in black ink, appearing to read 'M. Morris'.

**Michael Morris, FCA FCCA (Senior Statutory Auditor)**  
for and on behalf of UNW LLP, Statutory Auditor

Chartered Accountants  
Citygate

19 April 2021

## **B. & B. Attachments (Holdings) Limited**

### **Consolidated statement of comprehensive income Year ended 31 December 2020**

	Note	2020 £	2019 £
Turnover	5	10,656,947	11,587,655
Cost of sales		(6,587,630)	(7,016,113)
<b>Gross profit</b>		<b>4,069,317</b>	<b>4,571,542</b>
Administrative expenses		(4,093,205)	(4,277,849)
Other operating income		272,765	33,435
<b>Operating profit</b>		<b>248,877</b>	<b>327,128</b>
Interest receivable and similar income		379	-
Interest payable and expenses		(48,506)	(52,425)
<b>Profit before tax</b>		<b>200,750</b>	<b>274,703</b>
Tax on profit	13	(39,389)	120,975
<b>Profit for the financial year</b>		<b>161,361</b>	<b>395,678</b>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 18 to 34 form part of these financial statements.

## B. & B. Attachments (Holdings) Limited

### Consolidated balance sheet At 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	15	44,776	72,794
Tangible assets	16	818,983	942,286
		<u>863,759</u>	<u>1,015,080</u>
<b>Current assets</b>			
Stocks	18	1,764,289	1,743,551
Debtors	19	2,341,957	2,820,505
Cash at bank and in hand	20	698,101	332,119
		<u>4,804,347</u>	<u>4,896,175</u>
Creditors: amounts falling due within one year	21	(4,926,972)	(5,229,591)
<b>Net current liabilities</b>		<u>(122,625)</u>	<u>(333,416)</u>
<b>Total assets less current liabilities</b>		<u>741,134</u>	<u>681,664</u>
Creditors: amounts falling due after more than one year	22	(154,608)	(195,866)
		<u>586,526</u>	<u>485,798</u>
Deferred tax	25	(134,439)	(95,072)
Other provisions	26	(102,000)	(102,000)
		<u>(236,439)</u>	<u>(197,072)</u>
<b>Net assets</b>		<u>350,087</u>	<u>288,726</u>
<b>Capital and reserves</b>			
Called up share capital	27	100	100
Profit and loss reserves	28	349,987	288,626
<b>Total equity</b>		<u>350,087</u>	<u>288,726</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 April 2021.



**M R Barton**  
Director

Company registered number: 05863061

The notes on pages 18 to 34 form part of these financial statements.

## B. & B. Attachments (Holdings) Limited

### Company balance sheet At 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	17	600,184	600,184
		<u>600,184</u>	<u>600,184</u>
Creditors: amounts falling due within one year	21	(600,183)	(600,183)
<b>Net current liabilities</b>		<u>(600,183)</u>	<u>(600,183)</u>
<b>Total assets less current liabilities</b>		<u>1</u>	<u>1</u>
<b>Net assets</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	27	100	100
Profit and loss account brought forward		(99)	(99)
Profit and loss account carried forward		(99)	(99)
		<u>1</u>	<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 April 2021.



**M R Barton**  
Director

The notes on pages 18 to 34 form part of these financial statements.

## **B. & B. Attachments (Holdings) Limited**

### **Consolidated statement of changes in equity Year ended 31 December 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2019</b>	<b>100</b>	<b>12,948</b>	<b>13,048</b>
Profit for the year	-	395,678	395,678
Dividends paid	-	(120,000)	(120,000)
<b>At 1 January 2020</b>	<b>100</b>	<b>288,626</b>	<b>288,726</b>
Profit for the year	-	161,361	161,361
Dividends paid	-	(100,000)	(100,000)
<b>At 31 December 2020</b>	<b>100</b>	<b>349,987</b>	<b>350,087</b>

The notes on pages 18 to 34 form part of these financial statements.



## **B. & B. Attachments (Holdings) Limited**

### **Company statement of changes in equity Year ended 31 December 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2019</b>	<b>100</b>	<b>(99)</b>	<b>1</b>
Profit for the year	-	120,000	120,000
Dividends paid	-	(120,000)	(120,000)
<b>At 1 January 2020</b>	<b>100</b>	<b>(99)</b>	<b>1</b>
Profit for the year	-	100,000	100,000
Dividends paid	-	(100,000)	(100,000)
<b>At 31 December 2020</b>	<b>100</b>	<b>(99)</b>	<b>1</b>

The notes on pages 18 to 34 form part of these financial statements.

## B. & B. Attachments (Holdings) Limited

### Consolidated statement of cash flows Year ended 31 December 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	161,361	395,678
<b>Adjustments for:</b>		
Amortisation of intangible assets	28,028	22,203
Depreciation of tangible assets	256,442	288,236
Loss on disposal of tangible assets	(3,057)	2,605
Interest paid	48,506	52,425
Interest received	(379)	-
Taxation charge	39,389	(120,975)
(Increase) in stocks	(20,738)	(448,784)
Decrease/(increase) in debtors	361,956	(520,551)
(Decrease)/increase in creditors	(294,341)	180,140
Corporation tax received	116,579	37,707
<b>Net cash generated from operating activities</b>	<b>693,746</b>	<b>(111,316)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	(2,425)
Purchase of tangible fixed assets	(138,597)	(83,374)
Sale of tangible fixed assets	8,515	-
Interest received	379	-
HP interest paid	(15,792)	(21,000)
<b>Net cash from investing activities</b>	<b>(145,495)</b>	<b>(106,799)</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	724,288
Repayment of/new finance leases	(49,555)	(114,340)
Dividends paid	(100,000)	(120,000)
Interest paid	(32,714)	(31,425)
<b>Net cash used in financing activities</b>	<b>(182,269)</b>	<b>458,523</b>

## **B. & B. Attachments (Holdings) Limited**

### **Consolidated statement of cash flows (continued)** **Year ended 31 December 2020**

	2020 £	2019 £
<b>Net increase in cash and cash equivalents</b>	<b>365,982</b>	<b>240,408</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>332,119</b>	<b>91,711</b>
<b>Cash and cash equivalents at the end of year</b>	<b>698,101</b>	<b>332,119</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
<b>Cash at bank and in hand</b>	<b>698,101</b>	<b>332,119</b>
	<b>698,101</b>	<b>332,119</b>

The notes on pages 18 to 34 form part of these financial statements.

## B. & B. Attachments (Holdings) Limited

### Consolidated Analysis of Net Debt Year ended 31 December 2020

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	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	332,119	365,982	698,101
Debt due within 1 year	(1,682,525)	529,492	(1,153,033)
Finance leases	(204,151)	49,555	(154,596)
	<u>(1,554,557)</u>	<u>945,029</u>	<u>(609,528)</u>

The notes on pages 18 to 34 form part of these financial statements.

## **B. & B. Attachments (Holdings) Limited**

### **Notes to the financial statements Year ended 31 December 2020**

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#### **1. General information**

B&B Attachments (Holdings) Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 46, Colbourne Avenue, Nelson Park, Cramlington, Northumberland, United Kingdom, NE23 1WD.

The group consists of B&B Attachments (Holdings) Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### **2. Statement of compliance**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

#### **3. Accounting policies**

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 periods presented, unless otherwise stated.

##### **3.1 Basis of preparation of financial statements**

These financial statements comprise the consolidated financial statements and the company's separate financial statements. As permitted by Section 408 of the Companies Act 2006, however, the separate profit and loss account of the company is not presented.

The financial statements are prepared on a going concern basis and under the historical cost convention and are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in note 3.

##### **3.2 Basis of consolidation**

The consolidated financial statements incorporate those of B&B Attachments (Holdings) Limited and all of its subsidiaries.

## **B. & B. Attachments (Holdings) Limited**

### **Notes to the financial statements Year ended 31 December 2020**

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#### **3. Accounting policies (continued)**

##### **3.3 Going concern**

The uncertainty as to the future impact on the group of the COVID-19 outbreak has been considered as part of the group's adoption of the going concern basis. The Directors have prepared profit and cash flow forecasts for the group to 30 June 2022 under a range of scenarios to ensure maximum stress test on the business cash position. The group is still forecast to retain substantial cash reserves throughout the period to 30 June 2022 after applying these tests and sensitivities.

In addition, the UK government have announced a series of funding and support measures, which the Directors anticipate will be available should there be any additional short to medium term funding requirements. The Directors believe that the group can maintain sufficient financial headroom and operate within the current available bank facilities for the foreseeable future. Based on these assessments, the Directors confirm that they have a reasonable expectation that the group will continue in operation and meet its liabilities as they fall due in the normal course of the business for at least the next twelve months following approval of these financial statements. Accordingly, they continue to prepare the financial statements on a going concern basis.

##### **3.4 Revenue**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and their sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

##### **3.5 Leases**

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

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## **B. & B. Attachments (Holdings) Limited**

### **Notes to the financial statements Year ended 31 December 2020**

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#### **3. Accounting policies (continued)**

##### **3.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.

##### **3.7 Interest income**

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

##### **3.8 Finance costs**

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **3.9 Borrowing costs**

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred

##### **3.10 Employee benefits**

###### **Short-term benefits**

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

###### **Defined contribution pension plan**

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

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#### 3. Accounting policies (continued)

##### 3.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 3.12 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price plus any further costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less their estimated residual value, over their estimated useful lives as follows:

Leasehold property	-	over the period of the lease
Plant and machinery	-	20% straight line or 15% reducing balance
Office and computer equipment	-	33% straight line
Motor vehicles	-	40% reducing balance or 33% straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.



## **B. & B. Attachments (Holdings) Limited**

### **Notes to the financial statements Year ended 31 December 2020**

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#### **3. Accounting policies (continued)**

##### **3.13 Intangible assets**

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Amortisation is provided on all intangible assets so as to write off the cost of an asset over its estimated useful life.

The estimated useful lives range as follows:

Computer software	-	33% straight line
Patent	-	15% reducing balance
Goodwill	-	10 years

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively

##### **3.14 Fixed assets investments**

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **3.15 Stocks**

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost 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. Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

##### **3.16 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

## **B. & B. Attachments (Holdings) Limited**

### **Notes to the financial statements Year ended 31 December 2020**

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#### **3. Accounting policies (continued)**

##### **3.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

##### **3.18 Financial instruments**

###### **Basic debt instruments**

The group's basic debt instruments, including trade, intercompany and other debtors and creditors and cash and bank balances are all due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

###### **Derivative financial instruments**

Derivative financial instruments, comprising forward currency contracts, are initially recognised at fair value at the date the contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in fair value are recognised in the profit and loss account within administrative expenses.

The group does not currently apply hedge accounting for its forward currency contracts.

#### **4. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonably under the circumstances.

The following judgments have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements.

When stock is found to be obsolete it is written off directly to the profit and loss account. Slow moving stock is assessed by management and provided against when the selling price is deemed to be lower than the original cost.

The group considers whether fixed assets are impaired. The useful lives of fixed assets are regularly reviewed and any reduction in the length of the life would result in an impairment charge to the profit and loss account and a reduction in the carrying value of the asset.

The annual charge for fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed regularly. They are amended when necessary to reflect current estimates, future investments, economic utilisation and the physical condition of the assets.

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 5. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Goods and services	10,656,947	11,587,655
	<u>10,656,947</u>	<u>11,587,655</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	8,930,576	8,079,188
Rest of Europe	610,093	694,198
Rest of the world	1,116,278	2,814,269
	<u>10,656,947</u>	<u>11,587,655</u>

#### 6. Other operating income

	2020 £	2019 £
Other operating income	11,371	33,435
CJRS grant receivable	261,394	-
	<u>272,765</u>	<u>33,435</u>

#### 7. Operating profit

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

	2020 £	2019 £
Exchange differences	147,502	(111,243)
Government grants	(272,765)	(33,345)
Depreciation	256,442	288,236
Profit on disposal of fixed assets	(3,057)	4,037
Amortisation of intangible assets (included within administrative expenses)	88,047	22,224
Other operating lease rentals	229,173	226,824
	<u>229,173</u>	<u>226,824</u>

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 8. Auditors' remuneration

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	13,500	13,000
	<u>13,500</u>	<u>13,000</u>

#### 9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,334,810	2,316,954	-	-
Social security costs	222,189	249,874	-	-
Cost of defined contribution scheme	124,050	87,717	-	-
	<u>2,681,049</u>	<u>2,654,545</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Administration	21	21
Distribution	26	25
Production	26	27
	<u>73</u>	<u>73</u>

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 10. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	363,137	368,074
Group contributions to defined contribution pension schemes	25,020	3,464
	<u>388,157</u>	<u>371,538</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £100,000 (2019 - £101,724).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

#### 11. Interest receivable

	2020 £	2019 £
Other interest receivable	379	-
	<u>379</u>	<u>-</u>

#### 12. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	32,714	31,425
Finance leases and hire purchase contracts	15,792	21,000
	<u>48,506</u>	<u>52,425</u>

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 13. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	(83,268)
	-	(83,268)
<b>Total current tax</b>	-	(83,268)
<b>Deferred tax</b>		
Origination and reversal of timing differences	28,204	(26,125)
Changes to tax rates	11,185	2,749
Adjustment in respect of previous periods	-	(14,331)
<b>Total deferred tax</b>	39,389	(37,707)
<b>Taxation on profit/(loss) on ordinary activities</b>	39,389	(120,975)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	200,750	274,703
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	38,143	52,194
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,035	72,781
Adjustments to tax charge in respect of prior periods	-	(97,600)
Tax rate changes	11,185	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(152,950)
Other differences leading to an increase (decrease) in the tax charge	(11,974)	4,600
<b>Total tax charge for the year</b>	39,389	(120,975)

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 13. Taxation (continued)

##### Factors that may affect future tax charges

The rate of corporation tax throughout the year was 19% and this was the enacted rate of corporation tax at the balance sheet date. Accordingly, the group's profits for this period are taxed at an effective rate of 19% and closing deferred taxation has been calculated based on a rate of 19% (2019: 19%). In the Spring Budget 2021, the government announced that the main rate of UK corporation tax will increase to 25% from 1 April 2023, however this rate change has not yet been substantively enacted.

#### 14. Dividends

	2020 £	2019 £
<b>Ordinary shares</b>		
Dividends	100,000	120,000
	<u>100,000</u>	<u>120,000</u>

#### 15. Intangible assets

##### Group

	Intellectual property £	Computer software £	Total £
<b>Cost</b>			
At 1 January and 31 December 2020	49,138	158,756	207,894
<b>Amortisation</b>			
At 1 January 2020	33,195	101,905	135,100
Charge for the year	2,405	25,613	28,018
At 31 December 2020	<u>35,600</u>	<u>127,518</u>	<u>163,118</u>
<b>Net book value</b>			
At 31 December 2020	<u>13,538</u>	<u>31,238</u>	<u>44,776</u>
At 31 December 2019	<u>15,943</u>	<u>56,851</u>	<u>72,794</u>

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 16. Tangible fixed assets

##### Group

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	308,277	2,336,189	20,995	230,154	2,895,615
Additions	-	106,218	24,820	7,559	138,597
Disposals	-	(88,084)	(20,995)	-	(109,079)
At 31 December 2020	308,277	2,354,323	24,820	237,713	2,925,133
<b>Depreciation</b>					
At 1 January 2020	131,983	1,617,023	19,755	184,568	1,953,329
Charge for the year	28,965	201,735	4,686	21,056	256,442
Disposals	-	(83,450)	(20,171)	-	(103,621)
At 31 December 2020	160,948	1,735,308	4,270	205,624	2,106,150
<b>Net book value</b>					
At 31 December 2020	147,329	619,015	20,550	32,089	818,983
At 31 December 2019	176,294	719,166	1,240	45,586	942,286

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	174,993	315,755
Computer equipment	20,550	26,131
	<u>195,543</u>	<u>341,886</u>



## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 17. Fixed asset investments

##### Company

	Investments in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2020	600,184
At 31 December 2020	<u>600,184</u>

B&B Attachments (1999) Limited and B&B Attachments Limited are both 100% owned subsidiaries. The registered offices can be found at Unit 46, Colbourne Avenue, Nelson Park, Cramlington, Northumberland, United Kingdom, NE23 1WD.

#### 18. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	49,475	54,939
Work in progress (goods to be sold)	44,402	105,706
Finished goods and goods for resale	1,670,412	1,582,906
	<u>1,764,289</u>	<u>1,743,551</u>

The provision for slow-moving stock and obsolete stock is £40,000 (2019: £30,000).

#### 19. Debtors

	Group 2020 £	Group 2019 £
Trade debtors	2,024,166	2,380,483
Amounts owed by related parties	49,426	54,671
Other debtors	53,385	127,139
Prepayments and accrued income	214,980	258,212
	<u>2,341,957</u>	<u>2,820,505</u>

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 20. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash at bank and in hand	698,101	332,119
	<u>698,101</u>	<u>332,119</u>

#### 21. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	1,143,769	1,670,507	-	-
Trade creditors	2,648,685	2,957,975	-	-
Amounts owed to group undertakings	-	-	600,183	600,183
Other taxation and social security	915,928	431,076	-	-
Obligations under finance lease and hire purchase contracts	48,611	67,081	-	-
Other creditors	9,264	12,018	-	-
Accruals and deferred income	160,715	90,934	-	-
	<u>4,926,972</u>	<u>5,229,591</u>	<u>600,183</u>	<u>600,183</u>

Amounts owed under the invoice discounting facility agreement amounted to £1,143,769 (2019: £1,670,507). This amount is secured on the group's trade debtors.

#### 22. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £
Net obligations under finance leases and hire purchase contracts	105,985	137,070
Government grants received	48,623	58,796
	<u>154,608</u>	<u>195,866</u>

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 23. Finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	31,847	67,801
Between 1-5 years	110,727	136,586
	<u>142,574</u>	<u>204,387</u>

#### 24. Financial instruments

##### *Hedging instruments*

The group uses foreign currency forward contracts to manage the foreign exchange risk of future transactions and cash flows. The contracts are valued based on available market data. The group does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in the profit or loss.

At the year-end, the total carrying amount of outstanding foreign exchange forward contracts that the group had committed to was £178,571 (2019: £85,837).

#### 25. Deferred taxation

##### Group

	2020 £
At beginning of year	(95,072)
Charged to profit or loss	(39,367)
At end of year	<u>(134,439)</u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Provision at start of period	(138,584)	(132,778)
Adjustment in respect of prior years	1,808	14,331
Deferred tax charge for the year	2,337	23,375
	<u>(134,439)</u>	<u>(95,072)</u>

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

#### 26. Provisions

##### Group

	Dilapidation provision £
At 1 January 2020	102,000
At 31 December 2020	102,000

The dilapidation provision relates to the property occupied by the group at Unit 46 Colbourne Avenue, Nelson Park Industrial Estate, Cramlington, NE23 1WD and is expected to be utilised at the end of the lease term.

#### 27. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
997 (2019 - 997) Ordinary shares shares of £0.10 each	100	100
2 (2019 - 2) A Ordinary shares shares of £0.10 each	-	-
1 (2019 - 1) B Ordinary shares share of £0.10	-	-
	<u>100</u>	<u>100</u>

#### 28. Reserves

##### Other reserves

The other reserve was created when the share capital was reduced during FY18.

#### 29. Financial commitments, guarantees and contingent liabilities

The group has a contingent liability by way of an unlimited cross guarantee with B & B Attachments (1999) Limited, B & B Attachments Limited and Colbourne Investments Limited to support the invoice discounting facility.

#### 30. Pension commitments

The group contributes to employees and directors' private pension plans. The pension cost charge represents contributions payable by the group to the plans and amounted to £124,050 (2019: £87,717). Contributions totaling £9,264 (2019: £12,018) were payable to the fund at the balance sheet date and are included in creditors.

## B. & B. Attachments (Holdings) Limited

### Notes to the financial statements Year ended 31 December 2020

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#### 31. Commitments under operating leases

At 31 December 2020 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Not later than 1 year	<b>87,688</b>	109,713
Later than 1 year and not later than 5 years	<b>76,969</b>	65,531
	<b><u>164,657</u></b>	<b><u>175,244</u></b>

#### 32. Related party transactions

Included within company creditors is £600,183 (2019: £600,183) owed to B & B Attachments Limited.

Included within group debtors is £49,426 (2019: £54,670) owed to B & B Attachments Limited from Colbourne Investments Limited, a related party by virtue of its ultimate owner.

#### 33. Controlling party

The ultimate controlling party is Mr M R Barton, by virtue of his majority shareholding of the ultimate parent company.