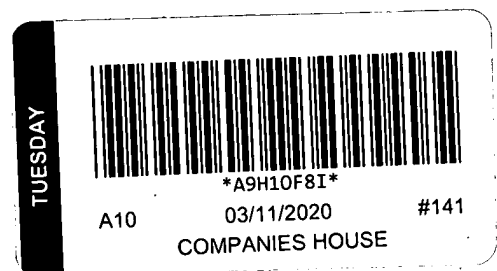


Registered number: 07415604

OSCROFT & SONS GROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019



OSCROFT & SONS GROUP LTD

COMPANY INFORMATION

Directors	C Oscroft C E M Oscroft T I Oscroft
Company secretary	C Oscroft
Registered number	07415604
Registered office	Unit 56 Heming Road Washford Industrial Estate Redditch Worcestershire England B98 0EA
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

OSCROFT & SONS GROUP LTD

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OSCROFT & SONS GROUP LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Introduction

The directors present their strategic report for the period ended 30 September 2019.

Business review

The demands for cost downs and increased quality expectations in the automotive industry continue to put pressure on the business, couple this with the government's strategy to increase the minimum wage year on year plus the introduction of the people's pension has led to further margin erosion.

To combat this, the Group appointed external operational consultants in October 2018 to transition the business through a restructuring program which led to a change in personal and the appointment of key senior management roles. This was to underpin the foundations to strengthen the business, reduce waste and streamline processes.

Following on from last year's strategy the Group has been successful in winning new contracts away from the automotive industry and after investing heavily in R & D has seen new contracts coming to fruition in 2020 of which the impact will be felt in 2021. These include electric vehicle battery development, the multi-fit wheel and a patented new screed product for the construction industry which will all contribute to the diversification of the business.

Risks and uncertainties

Brexit is showing both negative and positive moves from customers due to uncertainty of the outcome of the process. There have been no significant effects on the business as of yet, however we continue to monitor the situation carefully to put in place any necessary customer requirements.

Due to the closure of the large car manufactures following the pandemic we were forced to close on the 23rd March 2020. Since then some of our customers have returned and we have started back with a reduced workforce, present indications show that we should be fully operational in October 2020. The closure has put even further pressure on margins and has led to redundancies in order to reshape and secure the longevity of the business.

Future developments

2020 continues to be a challenging year, however the Group obtained finance in November 2019 in order to continue to invest in R & D for diversification. The Group has recently signed a 1.2 million pound contract for multi-fit wheels and will receive a second order for its newly tooled screed products, this has lead to the Group securing long term finance in September 2020 which will enable the business to return to profitability in 2021. The Group has also won new customers since COVID-19 which will all strengthen the business going forward. Once fully operational we intend to capitalise on the opportunities which includes resourcing work back into the UK.

OSCROFT & SONS GROUP LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Key performance indicators

The business continues to monitor its material and labour gross profit, and reviewing overhead costs against budget.

Working capital management and regular rolling 3 month cash forecasts are produced.

Factory capacity, efficiencies, quality and waste measurement are also regularly reported.

Going concern

As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Company and Group. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. Notwithstanding this, the directors, having carefully considered all pertinent matters, including the potential impacts of COVID-19, the cash reserves and the external funding of the Group are satisfied that the Company and Group is a going concern and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. Further details of this review are included in note 2.3.

This report was approved by the board on 20 / 10 / 2020 and signed on its behalf.

C Oscroft
Director



OSCROFT & SONS GROUP LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Directors present their report and the financial statements for the year ended 30 September 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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 for the Group's financial statements 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.

Results and dividends

The profit for the year, after taxation, amounted to £52,053 (2018 - £38,999).

During the year no dividends were paid on the ordinary "A", "B", "C", and "E" shares (2018: £119,032).

Directors

The Directors who served during the year were:

C Oscroft
C E M Oscroft
T I Oscroft

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.

OSCROFT & SONS GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Post balance sheet events

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Company and Group. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The Group has obtained a CLBILs loan facility of £300,000 to provide additional working capital required as a result of the Covid-19 pandemic.

The Group completed a refinancing post year-end that has provided long term funding for the business.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20/10/2020 and signed on its behalf.



C Oscroft
Director

OSCROFT & SONS GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OSCROFT & SONS GROUP LTD

Opinion

We have audited the financial statements of Oscroft & Sons Group Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2019, which comprise the Group Statement of income and retained earnings, 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 30 September 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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 Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

OSCROFT & SONS GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OSCROFT & SONS GROUP LTD (CONTINUED)

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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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.

OSCROFT & SONS GROUP LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OSCROFT & SONS GROUP LTD
(CONTINUED)**

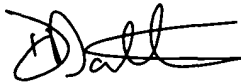
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 20/10/2020

OSCROFT & SONS GROUP LTD

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

		30 September 2019 £	18 Months ended 30 September 2018 £
	Note		
Turnover	4	10,736,082	15,630,738
Cost of sales		(8,474,025)	(12,457,652)
Gross profit		2,262,057	3,173,086
Administrative expenses		(2,649,851)	(3,145,752)
Other operating income	5	24,996	21,680
Operating (loss)/profit before exceptional costs	6	(362,798)	49,014
Exceptional costs		(339,515)	-
Operating (loss)/profit		(702,313)	49,014
Interest receivable and similar income		-	21,721
Interest payable and expenses	10	(68,972)	(98,243)
Loss before tax		(771,285)	(27,508)
Tax on loss	11	823,338	66,507
Profit after tax		52,053	38,999
Retained earnings at the beginning of the year		703,889	783,922
Profit for the year attributable to the owners of the parent		52,053	38,999
Dividends declared and paid		-	(119,032)
Retained earnings at the end of the year		755,942	703,889

The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD
REGISTERED NUMBER: 07415604

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	3,577,254	3,575,035
		<u>3,577,254</u>	<u>3,575,035</u>
Current assets			
Stocks	16	1,144,878	1,104,886
Debtors: amounts falling due within one year	17	2,826,207	1,944,024
Cash at bank and in hand	18	19,085	64,498
		<u>3,990,170</u>	<u>3,113,408</u>
Creditors: amounts falling due within one year	19	(4,053,751)	(3,443,033)
Net current liabilities		<u>(63,581)</u>	<u>(329,625)</u>
Total assets less current liabilities		<u>3,513,673</u>	<u>3,245,410</u>
Creditors: amounts falling due after more than one year	20	(1,351,086)	(1,342,914)
Provisions for liabilities			
Deferred taxation	24	(191,961)	(195,741)
Net assets		<u><u>1,970,626</u></u>	<u><u>1,706,755</u></u>
Capital and reserves			
Called up share capital	25	11,000	11,000
Revaluation reserve	26	1,181,168	969,350
Redeemable preference shares	26	22,516	22,516
Profit and loss account	26	755,942	703,889
Equity attributable to owners of the parent Company		<u><u>1,970,626</u></u>	<u><u>1,706,755</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/10/2020

C Oscroft
Director



The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD
REGISTERED NUMBER: 07415604

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	3,399,958	3,495,750
Investments	15	1,105	1,105
		<u>3,401,063</u>	<u>3,496,855</u>
Current assets			
Debtors: amounts falling due within one year	17	326,197	321,259
Cash at bank and in hand	18	8,648	21,838
		<u>334,845</u>	<u>343,097</u>
Creditors: amounts falling due within one year	19	(929,395)	(1,032,157)
Net current liabilities		<u>(594,550)</u>	<u>(689,060)</u>
Total assets less current liabilities		<u>2,806,513</u>	<u>2,807,795</u>
Creditors: amounts falling due after more than one year	20	(1,101,086)	(1,342,914)
Provisions for liabilities			
Deferred taxation	24	(191,961)	(195,741)
Net assets		<u><u>1,513,466</u></u>	<u><u>1,269,140</u></u>
Capital and reserves			
Called up share capital	25	11,000	11,000
Revaluation reserve	26	1,181,168	969,350
Redeemable preference shares	26	22,516	22,516
Profit and loss account	26	298,782	266,274
		<u><u>1,513,466</u></u>	<u><u>1,269,140</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The profit after tax of the parent Company for the year/period was £326 (2018 - loss £25,041).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/10/2020

C Oscroft
Director



The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Revaluation reserve	Redeemable preference shares	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2018	11,000	969,350	22,516	703,889	1,706,755
Comprehensive income for the year					
Profit for the year	-	-	-	52,053	52,053
Revaluation of Freehold	-	244,000	-	-	244,000
Deferred tax on revaluation	-	(32,182)	-	-	(32,182)
At 30 September 2019	11,000	1,181,168	22,516	755,942	1,970,626

The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital £	Revaluation reserve £	Redeemable preference shares £	Profit and loss account £	Total equity £
At 1 April 2017 (as previously stated)	11,000	366,936	262,516	927,471	1,567,923
Prior year adjustment	-	-	-	(143,549)	(143,549)
At 1 April 2017 (as restated)	11,000	366,936	262,516	783,922	1,424,374
Comprehensive income for the period					
Profit for the period	-	-	-	38,999	38,999
Deferred tax on revaluation of freehold property	-	725,800	-	-	725,800
Redeemed preference shares	-	-	(240,000)	-	(240,000)
Deferred tax on revaluation	-	(123,386)	-	-	(123,386)
Dividends: Equity capital	-	-	-	(119,032)	(119,032)
At 30 September 2018	11,000	969,350	22,516	703,889	1,706,755

The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Revaluation reserve	Redeemable preference shares	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2018	11,000	969,350	22,516	266,274	1,269,140
Comprehensive income for the period					
Profit for the year	-	-	-	32,508	32,508
Revaluation of freehold	-	244,000	-	-	244,000
Deferred tax on revaluation	-	(32,182)	-	-	(32,182)
At 30 September 2019	11,000	1,181,168	22,516	298,782	1,513,466

The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital	Revaluation reserve	Redeemable preference shares	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2017	11,000	366,936	262,516	410,347	1,050,799
Comprehensive income for the period					
Loss for the period	-	-	-	(25,041)	(25,041)
Revaluation of freehold	-	725,800	-	-	725,800
Redeemed preference shares	-	-	(240,000)	-	(240,000)
Deferred tax on revaluation	-	(123,386)	-	-	(123,386)
Dividends: Equity capital	-	-	-	(119,032)	(119,032)
At 30 September 2018	11,000	969,350	22,516	266,274	1,269,140

The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	52,053	38,999
Adjustments for:		
Depreciation of tangible assets	437,193	680,267
Interest paid	68,972	98,243
Interest received	-	(21,721)
Taxation charge	(823,338)	(66,507)
(Increase) in stocks	(39,992)	(278,937)
(Increase)/decrease in debtors	(124,192)	94,912
Increase/(decrease) in creditors	677,546	(239,711)
Corporation tax received/(paid)	30,372	(21,004)
Net cash generated from operating activities	278,614	284,541
Cash flows from investing activities		
Purchase of tangible fixed assets	(195,412)	(120,626)
Interest received	-	21,721
HP interest paid	(21,025)	(50,165)
Net cash from investing activities	(216,437)	(149,070)
Cash flows from financing activities		
Purchase of ordinary shares	-	(240,000)
New secured loans	364,750	-
Repayment of loans	(53,284)	(58,284)
Repayment of/new finance leases	(209,050)	(423,657)
Movements on invoice discounting	(329,609)	704,903
Dividends paid	-	(119,032)
Interest paid	(47,947)	(48,078)
Amounts withdrawn by directors	-	(19,868)
Net cash used in financing activities	(275,140)	(204,016)
Net (decrease) in cash and cash equivalents	(212,963)	(68,545)

OSCROFT & SONS GROUP LTD

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019 £	2018 £
Cash and cash equivalents at beginning of period	64,498	133,043
Cash and cash equivalents at the end of year	<u>(148,465)</u>	<u>64,498</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	19,085	64,498
Bank overdrafts	(167,550)	-
	<u>(148,465)</u>	<u>64,498</u>

The notes on pages 17 to 35 form part of these financial statements.

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

A E Oscroft & Sons Group Limited is a private company limited by shares registered in England and Wales, registration number 07415604. The registered office is Unit 56 Heming Road, Washford Industrial Estate, Redditch, Worcestershire, B98 0EA.

The principal activity of the Group during the year was that of manufacture of components for motor cars.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company and Group will continue in operational existence for the foreseeable future. The directors are aware of their duty to present a balanced assessment of the Company's financial position and prospects and it prepares business plans, forecasts and cash flow projections from which it makes its assessment. These forecasts covering the period to 12 months from the date of signing these financial statements are based on appropriate assumptions, market data and past experience, and which takes account of reasonably foreseeable changes in market conditions, company performance and the measures detailed in the Strategic Report to turn the business performance around.

The main group debt facility as at year end of £1.3m was refinanced post year end on more favourable terms for the business.

The Group is able to meet its day-to-day working capital requirements and the directors believe with the continued support of its financiers, adequate funding will be available to meet liabilities as they fall due.

At the time of approval, the COVID19 virus continues to develop. The duration and full extent of this situation is unknown but, as for many businesses at this time, it is impossible for the directors to predict the full extent of the impact on the Group's customer demand and supply chain.

2.4 Foreign currency translation

The Group's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

2.5 Revenue

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised at the point of dispatch.

2.6 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 the Consolidated statement of income and retained earnings 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 statement of income and retained earnings in the same period as the related expenditure.

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.7 Current and deferred taxation

Tax is recognised in the Statement of income and retained earnings, 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 includes research and development tax credits and 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 operates and generates income.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Plant and machinery	-	15%-25% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

Depreciation isn't charged on Freehold land.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.10 Revaluation of tangible fixed assets

Individual freehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of income and retained earnings unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.13 Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Cash and cash equivalents

Cash is represented by cash in hand and deposits held with financial institutions repayable without penalty on notice of not more than 24 hours.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. There are no key items in the financial statements where these judgments and estimates have been made.

4. Turnover

The whole of the turnover is attributable to the principal activity of the business.

Analysis of turnover by country of destination:

	30 September 2019 £	18 Months ended 30 September 2018 £
United Kingdom	10,083,139	14,267,759
Rest of Europe	605,370	1,262,135
Rest of the world	47,573	100,844
	<u>10,736,082</u>	<u>15,630,738</u>

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Other operating income

	30 September 2019 £	18 Months ended 30 September 2018 £
Biofuel rebate	<u>24,996</u>	<u>21,680</u>

6. Operating (loss)/profit

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

	30 September 2019 £	18 Months ended 30 September 2018 £
Depreciation	437,193	680,267
Other operating lease rentals	79,524	107,781
Advisory fees in relation to R&D tax credit claims	<u>136,436</u>	<u>-</u>

7. Auditor's remuneration

	30 September 2019 £	18 Months ended 30 September 2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>16,950</u>	<u>16,450</u>

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Employees

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

	Group 2019 £	Group 2018 £
Wages and salaries	2,547,732	4,118,398
Social security costs	216,334	367,622
Cost of defined contribution scheme	62,650	63,925
	<u>2,826,716</u>	<u>4,549,945</u>

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

	30 September 2019 No.	18 Months ended 30 September 2018 No.
	<u>98</u>	<u>106</u>

9. Directors' remuneration

	30 September 2019 £	18 Months ended 30 September 2018 £
Directors' remuneration	<u>29,805</u>	<u>29,999</u>

Key management personnel are deemed to be solely the Directors of the Group.

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Interest payable and similar expenses

	30 September 2019 £	18 Months ended 30 September 2018 £
Bank interest payable	45,419	47,607
Other interest payable	-	471
Finance leases and hire purchase contracts	21,025	50,165
Exchange differences	2,528	-
	<u>68,972</u>	<u>98,243</u>

11. Taxation

	30 September 2019 £	18 Months ended 30 September 2018 £
Corporation tax		
Current tax on profits for the year	(482,099)	-
Adjustments in respect of previous periods	(305,277)	(8,212)
Total current tax	<u>(787,376)</u>	<u>(8,212)</u>
Deferred tax		
Origination and reversal of timing differences	(35,962)	(58,295)
Taxation on loss on ordinary activities	<u>(823,338)</u>	<u>(66,507)</u>

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

11. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the period is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	30 September 2019 £	18 Months ended 30 September 2018 £
Loss on ordinary activities before tax	(771,285)	(27,508)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(146,544)	(5,227)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	256	597
Capital allowances for year/period in excess of depreciation	196	9,234
Unutilised losses	(4,762)	(54,316)
R&D expenditure increased deduction	(520,429)	-
R&D expenditure surrender for tax credit	631,717	-
Tax credits on R&D expenditure	(482,099)	-
Other timing differences leading to an increase (decrease) in taxation	(620)	(926)
Adjustment to deferred tax to average rate of 19%	4,224	(7,657)
Adjustments to tax in respect of previous periods	(305,277)	(8,212)
Total tax charge for the year/period	(823,338)	(66,507)

12. Dividends

	2019 £	2018 £
On ordinary shares	-	119,032
	-	119,032

13. Exceptional items

Exceptional items of £339,515 (2018: £nil) relate to one off lean and management advisory costs.

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 October 2018	2,200,000	2,915,594	54,375	23,384	159,323	5,352,676
Additions	-	137,458	35,000	3,460	19,494	195,412
Revaluations	200,000	-	-	-	-	200,000
At 30 September 2019	<u>2,400,000</u>	<u>3,053,052</u>	<u>89,375</u>	<u>26,844</u>	<u>178,817</u>	<u>5,748,088</u>
Depreciation						
At 1 October 2018	-	1,632,358	43,770	19,782	81,731	1,777,641
Charge for the year on owned assets	44,000	348,783	5,567	997	37,846	437,193
On revalued assets	(44,000)	-	-	-	-	(44,000)
At 30 September 2019	<u>-</u>	<u>1,981,141</u>	<u>49,337</u>	<u>20,779</u>	<u>119,577</u>	<u>2,170,834</u>
Net book value						
At 30 September 2019	<u>2,400,000</u>	<u>1,071,911</u>	<u>40,038</u>	<u>6,065</u>	<u>59,240</u>	<u>3,577,254</u>
At 30 September 2018	<u>2,200,000</u>	<u>1,283,236</u>	<u>10,605</u>	<u>3,602</u>	<u>77,592</u>	<u>3,575,035</u>

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

	2019 £	2018 £
Plant and machinery	653,635	919,047
Motor vehicles	-	4,580
Computer equipment	35,841	-
	<u>689,476</u>	<u>923,627</u>

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

14. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 October 2018	2,200,000	2,726,696	54,375	85,335	5,066,406
Additions	-	20,695	35,000	-	55,695
Revaluations	200,000	-	-	-	200,000
At 30 September 2019	2,400,000	2,747,391	89,375	85,335	5,322,101
Depreciation					
At 1 October 2018	-	1,505,552	43,770	21,334	1,570,656
Charge for the year on owned assets	44,000	317,760	5,567	28,160	395,487
On revalued assets	(44,000)	-	-	-	(44,000)
At 30 September 2019	-	1,823,312	49,337	49,494	1,922,143
Net book value					
At 30 September 2019	2,400,000	924,079	40,038	35,841	3,399,958
At 30 September 2018	2,200,000	1,221,144	10,605	64,001	3,495,750

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

	2019 £	2018 £
Plant and machinery	653,635	919,047
Motor vehicles	-	4,580
Computer equipment	35,841	-
	689,476	923,627

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2018	1,105
At 30 September 2019	<u>1,105</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
A E Oscroft & Sons Limited	Unit 56 Heming Road, Washford Industrial Estate, Redditch, Worcestershire, B98 0EA	Ordinary	100%
A E Oscroft & Sons Plant Limited	Unit 56 Heming Road, Washford Industrial Estate, Redditch, Worcestershire, B98 0EA	Ordinary	100%

16. Stocks

	Group 2019 £	Group 2018 £
Raw materials and consumables	317,813	193,177
Work in progress	133,976	347,016
Finished goods and goods for resale	693,089	564,693
	<u>1,144,878</u>	<u>1,104,886</u>

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,885,927	1,854,207	-	-
Amounts owed by group undertakings	-	-	290,813	319,322
Other debtors	54,000	5,158	35,384	1,937
Prepayments and accrued income	99,073	55,443	-	-
Tax recoverable	787,207	29,216	-	-
	<u>2,826,207</u>	<u>1,944,024</u>	<u>326,197</u>	<u>321,259</u>

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	19,085	64,498	8,648	21,838
Less: bank overdrafts	(167,550)	-	-	-
	<u>(148,465)</u>	<u>64,498</u>	<u>8,648</u>	<u>21,838</u>

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	167,550	-	-	-
Bank loans	36,000	36,000	36,000	36,000
Other loans	100,000	-	-	-
Trade creditors	1,473,926	832,956	904	-
Other taxation and social security	221,807	195,732	24,555	32,114
Obligations under finance lease and hire purchase contracts	202,231	217,792	202,231	217,792
Invoice discounting facility	972,284	1,301,893	-	-
Other creditors	690,905	757,490	649,620	731,153
Accruals and deferred income	189,048	101,170	16,085	15,098
	<u>4,053,751</u>	<u>3,443,033</u>	<u>929,395</u>	<u>1,032,157</u>

The Natwest overdraft is secured via a debenture with fixed and floating charges over the company and all property and assets present and future. An unlimited guarantee on A E Oscroft & Sons Limited is held by Natwest bank on behalf of Oscroft & Sons Group Ltd and the loan they hold.

The RBS invoice discounting facility is secured against the associated trade debtors balance and by fixed and floating charges against the assets of the Group.

20. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	468,269	506,803	468,269	506,803
Other loans	250,000	-	-	-
Net obligations under finance leases and hire purchase contracts	419,238	612,727	419,238	612,727
Accruals and deferred income	213,579	223,384	213,579	223,384
	<u>1,351,086</u>	<u>1,342,914</u>	<u>1,101,086</u>	<u>1,342,914</u>

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

21. Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	36,000	36,000	36,000	36,000
Other loans	100,000	-	-	-
Amounts falling due 1-2 years				
Bank loans	36,000	36,000	36,000	36,000
Other loans	100,000	-	-	-
Amounts falling due 2-5 years				
Bank loans	108,000	108,000	108,000	108,000
Other loans	150,000	-	-	-
Amounts falling due after more than 5 years				
Bank loans	324,269	362,803	324,269	362,803
	<u>854,269</u>	<u>542,803</u>	<u>504,269</u>	<u>542,803</u>

The long term bank loan was taken out in March 2012 and as at the year end was repayable in monthly instalments over 18 years to June 2030 with an interest rate of 3.25% over base rate. Subsequent to the year end the bank debt was refinanced. See note 2.3 for further detail on this.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within one year	202,231	217,792	-	217,792
Between 1-5 years	419,238	612,777	-	612,777
	<u>621,469</u>	<u>830,569</u>	<u>-</u>	<u>830,569</u>

Obligations under hire purchase and finance lease commitments are secured against the assets to which they relate.

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	1,959,012	1,923,863	334,845	343,097
	<u>1,959,012</u>	<u>1,923,863</u>	<u>334,845</u>	<u>343,097</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(5,045,607)	(4,590,215)	(2,004,939)	(2,342,957)
	<u>(5,045,607)</u>	<u>(4,590,215)</u>	<u>(2,004,939)</u>	<u>(2,342,957)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and in hand, trade debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, invoice discounting facility trade creditors, amounts owed to group undertakings and accruals.

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

24. Deferred taxation

Group

	2019 £
At beginning of year	(195,741)
Charged to profit or loss	3,780
Charged to other comprehensive income	-
At end of year	(191,961)

Company

	2019 £
At beginning of year	(195,741)
Charged to profit or loss	3,780
Charged to other comprehensive income	-
At end of year	(191,961)

	Group 2019 £	Group 2018 £
Accelerated capital allowances	(191,961)	(195,741)
	(191,961)	(195,741)

OSCROFT & SONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

25. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2,600 (2018 - 2,600) A Ordinary shares of £1.00 each	2,600	2,600
2,400 (2018 - 2,400) B Ordinary shares of £1.00 each	2,400	2,400
2,400 (2018 - 2,400) C Ordinary shares of £1.00 each	2,400	2,400
2,400 (2018 - 2,400) D Ordinary shares of £1.00 each	2,400	2,400
200 (2018 - 200) E Ordinary shares of £1.00 each	200	200
900 (2018 - 900) Ordinary B shares of £1.00 each	900	900
100 (2018 - 100) Ordinary C shares of £1.00 each	100	100
	<hr/>	<hr/>
	11,000	11,000
	<hr/>	<hr/>

26. Reserves

Revaluation reserve

The revaluation reserve represents the revaluation and consequent depreciation of the fixed assets.

Redeemable preference shares

These represent the redeemable preference shares held within the Group.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

27. Pension commitments

The group operates a defined contributions pension scheme. Contributions totalling £29,301 (2018: £5,294) were payable to the fund at the balance sheet date.

OSCROFT & SONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

28. Commitments under operating leases

At 30 September 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	44,020	71,850
Later than 1 year and not later than 5 years	29,466	45,968
	<u>73,486</u>	<u>117,818</u>

29. Related party transactions

The company has taken advantage of the exemption, under the terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the Group entered into transactions with Weller Wheels Limited. This company is partly owned by the three directors of Oscroft & Sons Group Limited. Oscroft & Sons Group Limited made sales to Weller Wheels Limited of £365,198 (2018: £435,000). The balance owed to Oscroft & Sons Group Limited by Weller Wheels Limited at the 30th September 2019 is £524,647 (2018: £324,000).

During the year, the company entered into transactions with Concrete Flooring Products Limited. This company is partly owned by the one director of Oscroft & Sons Group Limited. Oscroft & Sons Group Limited made sales to Concrete Flooring Products Limited of £22,803 (2018: £0). The balance owed to Oscroft & Sons Group Limited by Concrete Flooring Products Limited at the 30th September 2019 is £22,373 (2018: £0).

30. Post balance sheet events

Subsequent to the year end the spread of COVID-19 has had an impact on the UK economy.

Additionally, the Group has refinanced their loan facilities. Further details are included within the Strategic and Director Reports.