

Registered number: 09647195

**MAGNAVALE WARRINGTON LTD
(FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 DECEMBER 2020



MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

COMPANY INFORMATION

Directors	A J Cogan A C Lawrence (appointed 27 February 2020) S A Lawrence
Company secretary	T Potocki
Registered number	09647195
Registered office	Magnavale House Park Road Holmewood Industrial Park Chesterfield Derbyshire S42 5UY
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

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MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

DIRECTORS' REPORT FOR THE PERIOD ENDED 27 DECEMBER 2020

The directors present their report and the financial statements for the period ended 27 December 2020.

Directors

The directors who served during the period were:

A J Cogan
A C Lawrence (appointed 27 February 2020)
S A Lawrence

Change of name

On 10 February 2021 the Company changed its name from Rick Bestwick (North West) Limited to Magnavale Warrington Limited.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 27 DECEMBER 2020

Going concern

The Company and the Group it is part of use liquid resources and working capital balances that arise directly from its operations. The Company and the Group seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Liquidity is monitored regularly by reference to forecasts and available facilities.

As a result of the COVID-19 outbreak during 2020, the directors have implemented procedures in order to comply with the UK government guidelines, including employees working from home where possible. The Company and the Group have taken a CLBILS loan to help finance the effect of reduced income levels in 2020, which was repaid in February 2021. While the COVID-19 pandemic has driven a reduction in order intake during the second quarter of 2020, the business has continued to fulfil significant order delivery commitments, confirm and progress negotiations on new orders for delivery in the next 12 months.

Brexit has continued to help the business positively as the Group's customers seek to meet their delivery commitments.

The directors, having prepared cashflow forecasts to December 2022, including sensitivity analysis, expect an increase in revenue levels for 2021 and 2022, the forecast outlook the director's expectation that the business will continue to operate as a going concern for the foreseeable future. The Group and Company have obtained additional finance in 2020/21. The directors therefore believe that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Auditors

The audit for the period ended 31 December 2019 was undertaken by Grant Thornton LLP, who subsequently resigned as auditors. The directors appointed Haysmacintyre LLP to fill the casual vacancy and Haysmacintyre LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



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A J Cogan
Director
Date: 25 June 2021

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE WARRINGTON LTD
(FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)**

Opinion

We have audited the financial statements of Magnavale Warrington Ltd (formerly known as Rick Bestwick (North West) Limited) (the 'Company') for the period ended 27 December 2020, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 Company's affairs as at 27 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED) (CONTINUED)

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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE WARRINGTON LTD
(FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED) (CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:

Based on our understanding of the Company and its industry, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

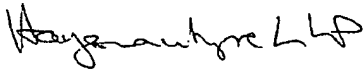
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE WARRINGTON LTD
(FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED) (CONTINUED)**

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.



Ian Daniels (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG
Date: 29 June 2021

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 27 DECEMBER 2020

	1 January 2020 to 27 December 2020 £	31 December 2018 to 31 December 2019 £
Turnover	6,203,898	8,301,051
Cost of sales	(2,849,882)	(4,093,933)
Gross profit	3,354,016	4,207,118
Administrative expenses	(3,534,868)	(4,284,777)
Other operating income	58,301	22,192
Operating loss	(122,551)	(55,467)
Interest payable and expenses	(31,887)	(55,981)
Loss before tax	(154,438)	(111,448)
Tax on loss	(7,790)	52,854
Loss after tax	(162,228)	(58,594)
Retained earnings at the beginning of the period	(1,867,182)	(1,808,588)
	(1,867,182)	(1,808,588)
Loss for the period	(162,228)	(58,594)
Retained earnings at the end of the period	(2,029,410)	(1,867,182)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 19 form part of these financial statements.

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)
REGISTERED NUMBER: 09647195

STATEMENT OF FINANCIAL POSITION
AS AT 27 DECEMBER 2020

	Note	27 December 2020 £	31 December 2019 £
Fixed assets			
Tangible assets	6	432,608	628,378
		<u>432,608</u>	<u>628,378</u>
Current assets			
Stocks		26,040	63,854
Debtors: amounts falling due within one year	7	1,442,739	2,097,702
Cash at bank and in hand	8	79,366	206,260
		<u>1,548,145</u>	<u>2,367,816</u>
Creditors: amounts falling due within one year	9	(2,096,954)	(4,832,178)
Net current liabilities		<u>(548,809)</u>	<u>(2,464,362)</u>
Total assets less current liabilities		<u>(116,201)</u>	<u>(1,835,984)</u>
Creditors: amounts falling due after more than one year	10	(1,877,372)	(3,151)
Provisions for liabilities			
Deferred tax		(35,737)	(27,947)
		<u>(35,737)</u>	<u>(27,947)</u>
Net liabilities		<u><u>(2,029,310)</u></u>	<u><u>(1,867,082)</u></u>

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)
REGISTERED NUMBER: 09647195

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 27 DECEMBER 2020

	Note	27 December 2020 £	31 December 2019 £
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(2,029,410)	(1,867,182)
		<u>(2,029,310)</u>	<u>(1,867,082)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A J Cogan
Director
Date: 25 June 2021

The notes on pages 10 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

1. General information

The Company is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office the principal place of business is Magnavale House, Park Road, Holmewood Industrial Park, Holmewood, Chesterfield, Derbyshire, S42 SUY.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company and the Group it is part of use liquid resources and working capital balances that arise directly from its operations. The Company and the Group seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Liquidity is monitored regularly by reference to forecasts and available facilities.

As a result of the COVID-19 outbreak during 2020, the directors have implemented procedures in order to comply with the UK government guidelines, including employees working from home where possible. The Company and the Group have taken a CLBILS loan to help finance the effect of reduced income levels in 2020, which was repaid in February 2021. While the COVID-19 pandemic has driven a reduction in order intake during the second quarter of 2020, the business has continued to fulfil significant order delivery commitments, confirm and progress negotiations on new orders for delivery in the next 12 months.

Brexit has continued to help the business positively as the Group's customers seek to meet their delivery commitments.

The directors, having prepared cashflow forecasts to December 2022, including sensitivity analysis, expect an increase in revenue levels for 2021 and 2022, the forecast outlook the director's expectation that the business will continue to operate as a going concern for the foreseeable future. The Group and Company have obtained additional finance in 2020/21. The directors therefore believe that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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 Statement of Income and Retained Earnings in the same period as the related expenditure.

2.5 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, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- Over the life of the lease
Plant and machinery	- 5-10 years
Office equipment	- 5-10 years

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.6 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 reporting 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 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.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to profit or loss 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.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.14 Operating leases: the Company as lessee

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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the period 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

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

The directors make estimates and assumptions about the future. These estimates and assumptions impact recognized assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within financial year include:

Tangible fixed assets are recognised at cost, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the directors consider the age of the debts and the financial position of it customers.

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

4. Auditors' remuneration

	1 January 2020 to 27 December 2020 £	31 December 2018 to 31 December 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,000	13,000

5. Employees

The average monthly number of employees, including directors, during the period was 55 (2019 - 95).

6. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	497,109	295,873	268,137	1,061,119
Additions	41,253	138,170	-	179,423
Disposals	(208,629)	(176,313)	(147,248)	(532,190)
At 27 December 2020	329,733	257,730	120,889	708,352
Depreciation				
At 1 January 2020	158,445	120,647	153,650	432,742
Charge for the period on owned assets	70,324	47,371	48,719	166,414
Disposals	(126,576)	(96,651)	(100,185)	(323,412)
At 27 December 2020	102,193	71,367	102,184	275,744
Net book value				
At 27 December 2020	227,540	186,363	18,705	432,608
At 31 December 2019	338,664	175,226	114,488	628,378

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

7. Debtors

	27 December 2020 £	31 December 2019 £
Trade debtors	1,261,396	1,691,740
Other debtors	28,438	-
Prepayments and accrued income	152,905	405,962
	<u>1,442,739</u>	<u>2,097,702</u>

The provision for the year against debtors was £Nil (2019: £5,981).

8. Cash and cash equivalents

	27 December 2020 £	31 December 2019 £
Cash at bank and in hand	79,366	206,260
	<u>79,366</u>	<u>206,260</u>

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

9. Creditors: Amounts falling due within one year

	27 December 2020 £	31 December 2019 £
Invoice discounting	659,371	1,373,034
Trade creditors	274,703	790,815
Amounts owed to group undertakings	682,454	2,072,673
Amounts owed to other participating interests	82,179	-
Corporation tax	-	5,366
Other taxation and social security	208,922	157,661
Obligations under finance lease and hire purchase contracts	3,296	59,759
Other creditors	17,274	76,305
Accruals and deferred income	168,755	296,565
	<u>2,096,954</u>	<u>4,832,178</u>

Invoice discounting balances are secured over the trade debtors up to a maximum limit of £8m (2019: £8m).

The hire purchase agreements are secured on the assets to which they relate.

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

	27 December 2020 £	31 December 2019 £
Obligations under finance lease and hire purchase contracts	-	3,151
Amounts owed to group undertakings	1,877,372	-
	<u>1,877,372</u>	<u>3,151</u>

The hire purchase agreements are secured on the assets to which they relate.

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020

11. Deferred taxation

	2020 £
At beginning of year	(27,947)
Charged to profit or loss	(7,790)
At end of year	(35,737)

The provision for deferred taxation is made up as follows:

	27 December 2020 £	31 December 2019 £
Fixed asset timing differences	(36,203)	(54,397)
Short term timing differences	466	443
Losses and other deductions	-	26,007
	(35,737)	(27,947)

12. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £35,538 (2019: £55,104). Contributions totaling £2,452 (2019: £6,780) were payable to the fund at the reporting date and are included in creditors.

MAGNAVALE WARRINGTON LTD (FORMERLY KNOWN AS RICK BESTWICK (NORTH WEST) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020**

13. Commitments under operating leases

At 27 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	27 December 2020 £	31 December 2019 £
Not later than 1 year	1,015,000	1,015,000
Later than 1 year and not later than 5 years	3,383,333	3,640,000
Later than 5 years	-	758,333
	<u>4,398,333</u>	<u>5,413,333</u>

14. Related party transactions

Transactions with the companies within the group headed by Magnavale Limited are not disclosed on the basis that the Company is wholly owned and included in the consolidated accounts of Magnavale Limited.

During the period the following transactions took place with other entities under common control:

Purchases in the period amounted to £1,046,041 (2019: £1,249,489). The balance outstanding at the period end was £82,179 (2019: £nil).

15. Controlling party

The ultimate parent company is AlphaBeta (International) Limited, a company incorporated in Gibraltar. The immediate parent entity is Magnavale Limited, a company incorporated in England and Wales. Magnavale Limited is the largest and the smallest group of undertakings that prepares consolidated financial statements, which are available from Companies House.

The ultimate controlling party is S A Lawrence, a director, by virtue of his shareholding in the ultimate parent entities.