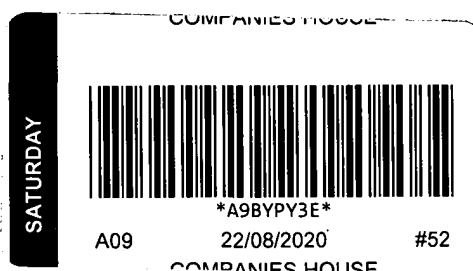


Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2019
for
A E BECKETT & SONS LIMITED



A E BECKETT & SONS LIMITED

Contents of the Consolidated Financial Statements
for the year ended 31 December 2019

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A E BECKETT & SONS LIMITED

Company Information
for the year ended 31 December 2019

Directors:

S Beckett
A Beckett
I Comer
G Smith
J Thompson

Registered office:

Heath Farm Alcester Road
Wythall
Birmingham
Worcester
B47 6AJ

Registered number:

00682856 (England and Wales)

Auditors:

Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Bankers:

Yorkshire Bank Plc
52 Greengate Street
Staffordshire
ST16 2BR

A E BECKETT & SONS LIMITED

Group Strategic Report
for the year ended 31 December 2019

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

Review of business

The principal activities of the group during the year continued to be that of food retailing, operation of a restaurant, general farming, letting of egg production facilities and the provision of ancillary services.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As for many businesses of our size, the business environment in which we operate continues to be challenging. The retail market in the UK is highly competitive and margins continue to be challenged. We are of course also subject to consumer spending patterns and consumers' overall level of disposable income within our economy.

Principal risks and uncertainties

The risks facing the company are assessed on an ongoing basis. The directors evaluate the likelihood and potential impact of each risk and ensure appropriate action is taken to mitigate it.

A number of key risks such as credit management, liquidity, health and safety and regulatory compliance come under the direct control of the directors.

With the principal risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Financial key performance indicators

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin. The net contribution before allocation of central shared overheads of each activity is monitored on a regular basis.

Development and performance

The group's turnover decreased 2.1% from £4.92m in 2018 to £4.81m in 2019. Direct costs increased proportionally less than sales, meaning the group's gross profit margin decreased to 37.2% (2018: 39.8%).

Administrative expenditure has decreased by 2.7% to £2,452,627 (2018: £2,519,883) due primarily to an decrease in sundry and legal fees of £184,934 offset by an increase in rates, water, light and heat of £98,781. The operating profit for the year increased by 31.4% to £969,146 (2018: £737,500).

Debt servicing costs reduced marginally on the prior year at £35,469 (2018: £36,397) due to a reduced loan balance from the prior year. Profit before tax increased to £933,677 (2018: £701,103), whilst profit after tax decreased to £687,977 (2018: £496,606).

After payment of dividends totalling £90,767, £597,210 was added to reserves leaving shareholders funds at £7,161,523 (2018: £6,564,313).

On behalf of the board:



.....
S Beckett - Director

Date: 3.4.2020

A E BECKETT & SONS LIMITED

Report of the Directors
for the year ended 31 December 2019

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

Dividends

The total distribution of dividends for the year ended 31 December 2019 will be £90,767. Particulars of dividends paid are detailed within the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

S Beckett
A Beckett
I Comer
G Smith
J Thompson

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

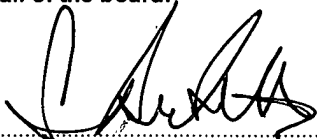
Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

Haines Watts Birmingham LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board:



S Beckett - Director

Date: 3.4.2020

Report of the Independent Auditors to the Members of
A E Beckett & Sons Limited

Opinion

We have audited the financial statements of A E Beckett & Sons Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policies note.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
A E Beckett & Sons Limited

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 Report of the Directors.

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

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities set out on page three, 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 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.

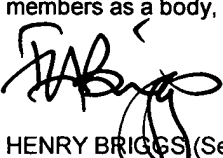
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



HENRY BRIGGS (Senior Statutory Auditor) —
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

12 August 2020

A E BECKETT & SONS LIMITED

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2019

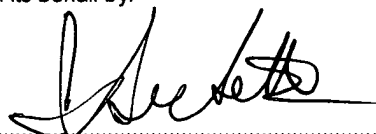
| | Notes | 2019 £ | 2018 £ |
|---|-------|-----------------------|-----------------------|
| Turnover | 4 | 4,814,544 | 4,918,602 |
| Cost of sales | | <u>(3,023,893)</u> | <u>(2,959,106)</u> |
| Gross profit | | 1,790,651 | 1,959,496 |
| Administrative expenses | | <u>(2,452,627)</u> | <u>(2,519,883)</u> |
| | | (661,976) | (560,387) |
| Other operating income | 5 | <u>1,631,122</u> | <u>1,297,887</u> |
| Operating profit | 7 | 969,146 | 737,500 |
| Interest payable and similar expenses | 8 | <u>(35,469)</u> | <u>(36,397)</u> |
| Profit before taxation | | 933,677 | 701,103 |
| Tax on profit | 9 | <u>(245,700)</u> | <u>(204,497)</u> |
| Profit for the financial year | | 687,977 | 496,606 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>687,977</u> | <u>496,606</u> |
| Profit attributable to: Owners of the parent | | <u>687,977</u> | <u>496,606</u> |
| Total comprehensive income attributable to: Owners of the parent | | <u>687,977</u> | <u>496,606</u> |

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 December 2019

| | Notes | £ | 2019 £ | 2018 £ |
|--|-------|------------------|------------------|------------------|
| Fixed assets | | | | |
| Tangible assets | 12 | | 8,922,690 | 8,401,076 |
| Investments | 13 | | - | - |
| | | | <u>8,922,690</u> | <u>8,401,076</u> |
| Current assets | | | | |
| Stocks | 14 | 211,273 | 190,562 | |
| Debtors | 15 | 119,085 | 321,840 | |
| Investments | 16 | 1,279 | 1,279 | |
| Cash at bank and in hand | | 242,082 | 172,160 | |
| | | <u>573,719</u> | <u>685,841</u> | |
| Creditors | | | | |
| Amounts falling due within one year | 17 | 688,978 | 814,576 | |
| | | | <u>(115,259)</u> | <u>(128,735)</u> |
| Net current liabilities | | | | |
| | | | <u>8,807,431</u> | <u>8,272,341</u> |
| Total assets less current liabilities | | | | |
| Creditors | | | | |
| Amounts falling due after more than one year | 18 | | (1,250,987) | (1,399,205) |
| Provisions for liabilities | 22 | | (394,921) | (308,823) |
| | | | <u>7,161,523</u> | <u>6,564,313</u> |
| Net assets | | | | |
| Capital and reserves | | | | |
| Called up share capital | 23 | 15,407 | 15,407 | |
| Share premium | 24 | 626,884 | 626,884 | |
| Capital redemption reserve | 24 | 23,599 | 23,599 | |
| Retained earnings | 24 | 6,495,633 | 5,898,423 | |
| | | <u>7,161,523</u> | <u>6,564,313</u> | |
| Shareholders' funds | | | | |

The financial statements were approved by the Board of Directors on
on its behalf by:



S Beckett - Director

3.4.2020

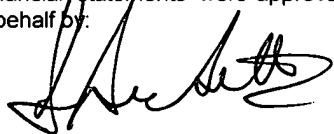
and were signed

A E BECKETT & SONS LIMITED (REGISTERED NUMBER: 00682856)

Company Statement of Financial Position
31 December 2019

| | Notes | £ | 2019 £ | £ | 2018 £ |
|--|-------|---------|------------------|-----------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 8,413,303 | | 7,836,637 |
| Investments | 13 | | 50,199 | | 50,199 |
| | | | <u>8,463,502</u> | | <u>7,886,836</u> |
| Current assets | | | | | |
| Stocks | 14 | 211,273 | | 190,562 | |
| Debtors | 15 | 119,085 | | 370,593 | |
| Investments | 16 | 1,279 | | 1,279 | |
| Cash at bank and in hand | | 242,082 | | 172,160 | |
| | | | <u>573,719</u> | <u>734,594</u> | |
| Creditors | | | | | |
| Amounts falling due within one year | 17 | 730,616 | | 786,423 | |
| | | | <u>(156,897)</u> | <u>(51,829)</u> | |
| Net current liabilities | | | | | |
| | | | <u>8,306,605</u> | | <u>7,835,007</u> |
| Total assets less current liabilities | | | | | |
| Creditors | | | | | |
| Amounts falling due after more than one year | 18 | | (1,816,498) | | (1,964,716) |
| Provisions for liabilities | 22 | | (358,688) | | (270,937) |
| Net assets | | | <u>6,131,419</u> | | <u>5,599,354</u> |
| Capital and reserves | | | | | |
| Called up share capital | 23 | | 15,407 | | 15,407 |
| Share premium | 24 | | 626,884 | | 626,884 |
| Capital redemption reserve | 24 | | 18,724 | | 18,724 |
| Retained earnings | 24 | | 5,470,404 | | 4,938,339 |
| Shareholders' funds | | | <u>6,131,419</u> | | <u>5,599,354</u> |
| Company's profit for the financial year | | | <u>622,832</u> | | <u>479,094</u> |

The financial statements were approved by the Board of Directors on
on its behalf by:



.....
S Beckett - Director

3.4.2020

and were signed

The notes form part of these financial statements

A E BECKETT & SONS LIMITED

Consolidated Statement of Changes in Equity
for the year ended 31 December 2019

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Total equity £ |
|------------------------------------|--|------------------------------------|--------------------------------|---|-------------------------------|
| Balance at 1 January 2018 | 15,407 | 5,492,584 | 626,884 | 23,599 | 6,158,474 |
| Changes in equity | | | | | |
| Dividends | - | (90,767) | - | - | (90,767) |
| Total comprehensive income | - | 496,606 | - | - | 496,606 |
| Balance at 31 December 2018 | <u>15,407</u> | <u>5,898,423</u> | <u>626,884</u> | <u>23,599</u> | <u>6,564,313</u> |
| Changes in equity | | | | | |
| Dividends | - | (90,767) | - | - | (90,767) |
| Total comprehensive income | - | 687,977 | - | - | 687,977 |
| Balance at 31 December 2019 | <u><u>15,407</u></u> | <u><u>6,495,633</u></u> | <u><u>626,884</u></u> | <u><u>23,599</u></u> | <u><u>7,161,523</u></u> |

The notes form part of these financial statements

A E BECKETT & SONS LIMITED

Company Statement of Changes in Equity
for the year ended 31 December 2019

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Total equity £ |
|------------------------------------|--|------------------------------------|--------------------------------|---|-------------------------------|
| Balance at 1 January 2018 | 15,407 | 4,550,012 | 626,884 | 18,724 | 5,211,027 |
| Changes in equity | | | | | |
| Dividends | - | (90,767) | - | - | (90,767) |
| Total comprehensive income | - | 479,094 | - | - | 479,094 |
| Balance at 31 December 2018 | <u>15,407</u> | <u>4,938,339</u> | <u>626,884</u> | <u>18,724</u> | <u>5,599,354</u> |
| Changes in equity | | | | | |
| Dividends | - | (90,767) | - | - | (90,767) |
| Total comprehensive income | - | 622,832 | - | - | 622,832 |
| Balance at 31 December 2019 | <u><u>15,407</u></u> | <u><u>5,470,404</u></u> | <u><u>626,884</u></u> | <u><u>18,724</u></u> | <u><u>6,131,419</u></u> |

The notes form part of these financial statements

A E BECKETT & SONS LIMITED

Consolidated Statement of Cash Flows
for the year ended 31 December 2019

| | Notes | 2019 £ | 2018 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 1,520,077 | 1,229,466 |
| Interest paid | | (35,469) | (36,397) |
| Tax paid | | (298,662) | (167,161) |
| Net cash from operating activities | | <u>1,185,946</u> | <u>1,025,908</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (1,068,502) | (1,168,430) |
| Sale of tangible fixed assets | | 151,000 | 11,125 |
| Net cash from investing activities | | <u>(917,502)</u> | <u>(1,157,305)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (132,636) | (129,997) |
| Capital repayments in year | | (25,119) | (93,396) |
| Amount introduced by directors | | 50,000 | - |
| Amount withdrawn by directors | | - | (50,000) |
| Equity dividends paid | | (90,767) | (90,767) |
| Net cash from financing activities | | <u>(198,522)</u> | <u>(364,160)</u> |
| Increase/(decrease) in cash and cash equivalents | | <u>69,922</u> | <u>(495,557)</u> |
| Cash and cash equivalents at beginning of year | 2 | 172,160 | 667,717 |
| Cash and cash equivalents at end of year | 2 | <u><u>242,082</u></u> | <u><u>172,160</u></u> |

The notes form part of these financial statements

A E BECKETT & SONS LIMITED

**Notes to the Consolidated Statement of Cash Flows
for the year ended 31 December 2019**

1. Reconciliation of profit before taxation to cash generated from operations

| | 2019 £ | 2018 £ |
|---------------------------------------|-------------------------|-------------------------|
| Profit before taxation | 933,677 | 701,103 |
| Depreciation charges | 451,863 | 424,412 |
| Profit on disposal of fixed assets | (55,975) | (9,705) |
| Finance costs | 35,469 | 36,397 |
| | <u>1,365,034</u> | <u>1,152,207</u> |
| Increase in stocks | (20,711) | (11,927) |
| Decrease in trade and other debtors | 152,755 | 31,628 |
| Increase in trade and other creditors | 22,999 | 57,558 |
| | <u>1,520,077</u> | <u>1,229,466</u> |
| Cash generated from operations | <u><u>1,520,077</u></u> | <u><u>1,229,466</u></u> |

2. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2019

| | 31/12/19 £ | 1/1/19 £ |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | <u>242,082</u> | <u>172,160</u> |

Year ended 31 December 2018

| | 31/12/18 £ | 1/1/18 £ |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | <u>172,160</u> | <u>667,717</u> |

3. Analysis of changes in net debt

| | At 1/1/19 £ | Cash flow £ | At 31/12/19 £ |
|---------------------------------|---------------------------|-----------------------|---------------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>172,160</u> | <u>69,922</u> | <u>242,082</u> |
| | <u>172,160</u> | <u>69,922</u> | <u>242,082</u> |
| Liquid resources | | | |
| Current asset investments | <u>1,279</u> | <u>-</u> | <u>1,279</u> |
| | <u>1,279</u> | <u>-</u> | <u>1,279</u> |
| Debt | | | |
| Finance leases | (109,825) | 25,119 | (84,706) |
| Debts falling due within 1 year | (132,636) | (1,893) | (134,529) |
| Debts falling due after 1 year | (1,361,893) | 134,529 | (1,227,364) |
| | <u>(1,604,354)</u> | <u>157,755</u> | <u>(1,446,599)</u> |
| Total | <u><u>(1,430,915)</u></u> | <u><u>227,677</u></u> | <u><u>(1,203,238)</u></u> |

The notes form part of these financial statements

A E BECKETT & SONS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 December 2019

1. **Statutory information**

A E Beckett & Sons Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **Accounting policies**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account it published a separate profit and loss account for the parent company is omitted from the group consolidated financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|--------------------------|---------------------------|
| Freehold property | - 2% on cost |
| Improvements to property | - 2% on cost |
| Plant & equipment | - 15% on reducing balance |
| Motor vehicles | - 25% on reducing balance |

All fixed assets are initially recorded at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

A E BECKETT & SONS LIMITED

Notes to the Consolidated Financial Statements - continued **for the year ended 31 December 2019**

3. Accounting policies - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

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

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

4. Turnover

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

5. Other operating income

| | 2019 | 2018 |
|-----------------|------------------|------------------|
| | £ | £ |
| Rents received | 1,407,352 | 1,247,627 |
| Sundry receipts | 223,770 | 50,260 |
| | <u>1,631,122</u> | <u>1,297,887</u> |

6. Employees and directors

| | 2019 | 2018 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,846,325 | 1,744,522 |
| Social security costs | 117,866 | 124,771 |
| Other pension costs | 68,822 | 81,013 |
| | <u>2,033,013</u> | <u>1,950,306</u> |

A E BECKETT & SONS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019

6. Employees and directors - continued

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

| | 2019 | 2018 |
|----------------------|------------|------------|
| Production staff | 103 | 103 |
| Administrative staff | 7 | 7 |
| Directors | 5 | 5 |
| | <u>115</u> | <u>115</u> |

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Directors' remuneration | 188,705 | 185,737 |
| Directors' pension contributions to money purchase schemes | <u>45,000</u> | <u>50,568</u> |

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

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>3</u> | <u>3</u> |
|------------------------|----------|----------|

7. Operating profit

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

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Depreciation - owned assets | 381,250 | 352,169 |
| Depreciation - assets on hire purchase contracts | 70,613 | 72,243 |
| Profit on disposal of fixed assets | (55,975) | (9,705) |
| Auditors' remuneration | <u>16,400</u> | <u>15,900</u> |

8. Interest payable and similar expenses

| | 2019 £ | 2018 £ |
|-------------------------------------|---------------|---------------|
| Interest payable on bank borrowings | <u>35,469</u> | <u>36,397</u> |
| | <u>35,469</u> | <u>36,397</u> |

9. Taxation

Analysis of the tax charge

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

| | 2019 £ | 2018 £ |
|--------------------|----------------|----------------|
| Current tax: | | |
| UK corporation tax | 159,602 | 175,174 |
| Deferred tax | <u>86,098</u> | <u>29,323</u> |
| Tax on profit | <u>245,700</u> | <u>204,497</u> |

A E BECKETT & SONS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019

9. Taxation - continued

Reconciliation of total tax charge included in profit and loss

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

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Profit before tax | <u>933,677</u> | <u>701,103</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%) | <u>177,399</u> | <u>133,210</u> |
| Effects of: | | |
| Expenses not deductible for tax purposes | (1,861) | 20,277 |
| Depreciation on ineligible | 36,472 | 34,878 |
| Consolidation adjustments | 4,832 | 6,574 |
| Deferred tax adjustment | 168 | 8,342 |
| Fixed asset disposal proceeds | 28,690 | 1,216 |
| | <u>245,700</u> | <u>204,497</u> |
| Total tax charge | <u>245,700</u> | <u>204,497</u> |

10. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The parent company's profit for the financial year was £622,832 (2018 - £479,094).

11. Dividends

| | 2019 £ | 2018 £ |
|---------------------------------|---------------|---------------|
| Ordinary shares of £1.00 each | | |
| Interim | 30,767 | 30,767 |
| A Ordinary shares of £0.25 each | | |
| Interim | 60,000 | 60,000 |
| | <u>90,767</u> | <u>90,767</u> |

A E BECKETT & SONS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019**

12. Tangible fixed assets

Group

| | Freehold property £ | Improvements to property £ | Plant & equipment £ | Motor vehicles £ | Totals £ |
|------------------------|--------------------------------|---------------------------------------|------------------------------------|-----------------------------|---------------------|
| Cost | | | | | |
| At 1 January 2019 | 9,284,502 | 1,227,296 | 2,947,517 | 1,040,951 | 14,500,266 |
| Additions | 710,202 | - | 80,391 | 277,909 | 1,068,502 |
| Disposals | - | - | (117,000) | (112,000) | (229,000) |
| At 31 December 2019 | 9,994,704 | 1,227,296 | 2,910,908 | 1,206,860 | 15,339,768 |
| Depreciation | | | | | |
| At 1 January 2019 | 2,267,620 | 984,383 | 2,172,838 | 674,349 | 6,099,190 |
| Charge for year | 166,946 | 13,080 | 119,374 | 152,463 | 451,863 |
| Eliminated on disposal | - | - | (56,690) | (77,285) | (133,975) |
| At 31 December 2019 | 2,434,566 | 997,463 | 2,235,522 | 749,527 | 6,417,078 |
| Net book value | | | | | |
| At 31 December 2019 | 7,560,138 | 229,833 | 675,386 | 457,333 | 8,922,690 |
| At 31 December 2018 | 7,016,882 | 242,913 | 774,679 | 366,602 | 8,401,076 |

Included within the net book value of £8,922,690 is £211,833 (2018 - £243,244) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £104,673 (2018 - £72,243).

Company

| | Freehold property £ | Plant & equipment £ | Motor vehicles £ | Totals £ |
|------------------------|--------------------------------|------------------------------------|-----------------------------|---------------------|
| Cost | | | | |
| At 1 January 2019 | 8,721,229 | 2,947,517 | 1,040,951 | 12,709,697 |
| Additions | 735,634 | 80,391 | 277,909 | 1,093,934 |
| Disposals | - | (117,000) | (112,000) | (229,000) |
| At 31 December 2019 | 9,456,863 | 2,910,908 | 1,206,860 | 13,574,631 |
| Depreciation | | | | |
| At 1 January 2019 | 2,025,873 | 2,172,838 | 674,349 | 4,873,060 |
| Charge for year | 150,406 | 119,374 | 152,463 | 422,243 |
| Eliminated on disposal | - | (56,690) | (77,285) | (133,975) |
| At 31 December 2019 | 2,176,279 | 2,235,522 | 749,527 | 5,161,328 |
| Net book value | | | | |
| At 31 December 2019 | 7,280,584 | 675,386 | 457,333 | 8,413,303 |
| At 31 December 2018 | 6,695,356 | 774,679 | 366,602 | 7,836,637 |

Included in cost of land and buildings is freehold land of £967,288 (2018 - £967,288) which is not depreciated.

Included within the net book value of £8,413,303 is £211,833 (2018 - £243,244) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £104,673 (2018 - £72,243).

A E BECKETT & SONS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019**

13. Fixed asset investments

Company

**Shares in
group
undertakings
£**

Cost

At 1 January 2019

and 31 December 2019

50,199

Net book value

At 31 December 2019

50,199

At 31 December 2018

50,199

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

A.E. Beckett & Sons (Developments) Limited

Registered office: Heath Farm, Alcester Road, Wythall, Birmingham, B47 6AJ

Nature of business: Property development and maintenance

Class of shares:

Ordinary £1

100.00
holding

**2019
£**

**2018
£**

Aggregate capital and reserves

755,018

664,441

Profit for the year

90,577

52,114

14. Stocks

| | Group | | Company | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Arable farm stock | 90,340 | 80,340 | 90,340 | 80,340 |
| Shop and restaurant stock | 120,933 | 110,222 | 120,933 | 110,222 |
| | 211,273 | 190,562 | 211,273 | 190,562 |

Stock recognised as an expense in cost of sales was £1,768,343 (2018: £1,734,286).

15. Debtors: amounts falling due within one year

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade debtors | 61,816 | 172,326 | 61,816 | 172,326 |
| Amounts owed by group undertakings | - | - | - | 48,753 |
| Other debtors | 57,254 | 99,499 | 57,254 | 99,499 |
| Directors' loan accounts | - | 50,000 | - | 50,000 |
| Called up share capital not paid | 15 | 15 | 15 | 15 |
| | 119,085 | 321,840 | 119,085 | 370,593 |

A E BECKETT & SONS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019**

16. Current asset investments

| | Group | | Company | |
|----------------------|--------------|--------------|----------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Unlisted investments | <u>1,279</u> | <u>1,279</u> | <u>1,279</u> | <u>1,279</u> |

17. Creditors: amounts falling due within one year

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 19) | 134,529 | 132,636 | 134,529 | 132,636 |
| Hire purchase contracts (see note 20) | 61,083 | 72,513 | 61,083 | 72,513 |
| Trade creditors | 254,098 | 306,972 | 254,098 | 306,972 |
| Amounts owed to group undertakings | - | - | 69,538 | - |
| Corporation Tax | 36,114 | 175,174 | 8,214 | 147,021 |
| Social security and other taxes | 31,372 | 35,623 | 31,372 | 35,623 |
| VAT | 88,630 | 35,359 | 88,630 | 35,359 |
| Other creditors | 31,689 | 31,689 | 31,689 | 31,689 |
| Accruals and deferred income | 51,463 | 24,610 | 51,463 | 24,610 |
| | <u>688,978</u> | <u>814,576</u> | <u>730,616</u> | <u>786,423</u> |

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

| | Group | | Company | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Bank loans (see note 19) | 1,227,364 | 1,361,893 | 1,227,364 | 1,361,893 |
| Hire purchase contracts (see note 20) | 23,623 | 37,312 | 23,623 | 37,312 |
| Amounts owed to group undertakings | - | - | 565,511 | 565,511 |
| | <u>1,250,987</u> | <u>1,399,205</u> | <u>1,816,498</u> | <u>1,964,716</u> |

19. Loans

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Amounts falling due within one year or on demand: | | | | |
| Bank loans | <u>134,529</u> | <u>132,636</u> | <u>134,529</u> | <u>132,636</u> |
| Amounts falling due between one and two years: | | | | |
| Bank loans - 1-2 years | <u>137,809</u> | <u>1,361,893</u> | <u>137,809</u> | <u>1,361,893</u> |
| Amounts falling due between two and five years: | | | | |
| Bank loans - 2-5 years | <u>1,089,555</u> | <u>-</u> | <u>1,089,555</u> | <u>-</u> |

A E BECKETT & SONS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019**

20. Leasing agreements

Minimum lease payments fall due as follows:

Group

| | Hire purchase contracts | |
|-----------------------------------|--------------------------------|----------------|
| | 2019 | 2018 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 61,083 | 72,513 |
| Between one and five years | 23,623 | 37,312 |
| | 84,706 | 109,825 |

Company

| | Hire purchase contracts | |
|-----------------------------------|--------------------------------|----------------|
| | 2019 | 2018 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 61,083 | 72,513 |
| Between one and five years | 23,623 | 37,312 |
| | 84,706 | 109,825 |

Group

| | Non-cancellable operating leases | |
|-----------------------------------|---|--------------|
| | 2019 | 2018 |
| | £ | £ |
| Within one year | 8,985 | 7,834 |
| Between one and five years | 12,480 | 562 |
| | 21,465 | 8,396 |

Company

| | Non-cancellable operating leases | |
|-----------------------------------|---|--------------|
| | 2019 | 2018 |
| | £ | £ |
| Within one year | 8,985 | 7,834 |
| Between one and five years | 12,480 | 562 |
| | 21,465 | 8,396 |

21. Secured debts

The following secured debts are included within creditors:

| | Company | |
|-------------------|------------------|------------------|
| | 2019 | 2018 |
| | £ | £ |
| Bank loans | 1,361,893 | 1,494,529 |

A E BECKETT & SONS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019

22. Provisions for liabilities

| | Group | | Company | |
|-----------------------------|----------------|----------------|----------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Deferred tax | <u>394,921</u> | <u>308,823</u> | <u>358,688</u> | <u>270,937</u> |
| Group | | | | |
| | | | | Deferred tax |
| | | | | £ |
| Balance at 1 January 2019 | | | | 308,823 |
| Provided during year | | | | 86,098 |
| Balance at 31 December 2019 | | | | <u>394,921</u> |
| Company | | | | |
| | | | | Deferred tax |
| | | | | £ |
| Balance at 1 January 2019 | | | | 270,937 |
| Provided during year | | | | 87,751 |
| Balance at 31 December 2019 | | | | <u>358,688</u> |

23. Called up share capital

| Allotted, issued and fully paid: | | | | |
|---|---------------|-----------------------|---------------|---------------|
| Number: | Class: | Nominal value: | 2019 | 2018 |
| | | | £ | £ |
| 15,081 | Ordinary | £1.00 | 15,081 | 14,706 |
| 60 | A Ordinary | £0.25 | 15 | 390 |
| 311 | D Ordinary | £1.00 | 311 | 311 |
| | | | <u>15,407</u> | <u>15,407</u> |

24. Reserves

| Group | Retained earnings | Share premium | Capital redemption reserve | Totals |
|---------------------|--------------------------|----------------------|-----------------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 January 2019 | 5,898,423 | 626,884 | 23,599 | 6,548,906 |
| Profit for the year | 687,977 | | | 687,977 |
| Dividends | (90,767) | | | (90,767) |
| At 31 December 2019 | <u>6,495,633</u> | <u>626,884</u> | <u>23,599</u> | <u>7,146,116</u> |

A E BECKETT & SONS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2019

24. Reserves - continued

Company

| | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Totals £ |
|---------------------|---------------------------|-----------------------|---------------------------------------|------------------|
| At 1 January 2019 | 4,938,339 | 626,884 | 18,724 | 5,583,947 |
| Profit for the year | 622,832 | | | 622,832 |
| Dividends | (90,767) | | | (90,767) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2019 | <u>5,470,404</u> | <u>626,884</u> | <u>18,724</u> | <u>6,116,012</u> |

25. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

The company entered into the following transactions with related parties during the year.

Mr A M Beckett (director) rents a property owned by the company at £500 per month. Ms D Beckett (Daughter of Mr A M Beckett) also rents a property owned by the company at £250 per month. There were no outstanding balances at the year end.

In 2004 Ms D Beckett loaned the company £30,000, the full balance is still outstanding at the year end and included within other creditors (2018 - £30,000).

Ms J Marsden (non-executive director) charged the company £6,416 (2018: £6,408) for consultancy work.