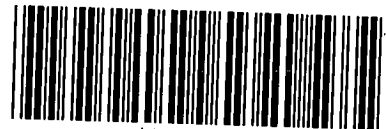


REGISTERED NUMBER: 00876107 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
HANMERE POLYTHENE LIMITED**

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HANMERE POLYTHENE LIMITED (REGISTERED NUMBER: 00876107)

CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

HANMERE POLYTHENE LIMITED
COMPANY INFORMATION
For The Year Ended 31 March 2021

DIRECTORS:

G R Morris
J Farrell
D Lennon

SECRETARY:

J Farrell

REGISTERED OFFICE:

Blackhorse Road
Letchworth
Hertfordshire
SG6 1HD

REGISTERED NUMBER:

00876107 (England and Wales)

AUDITORS:

Fortus Audit LLP
1 Rushmills
Bedford Road
Northampton
Northamptonshire
NN4 7YB

STRATEGIC REPORT
For The Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

The principal activity of the company in the year under review was that of polythene extrusion and conversion.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company's turnover increased by £234,577 (2020: increased by £1,718,701) in the year; a 1.1% increase (2020: 8.8%) on the performance in the prior year. Profit before tax has decreased to £2,369,783 (2020: £2,695,247).

The operating profit percentage for the year is 12.1% (2020: 14.2%).

During the year the company increased its sales volume both through the acquisition of new customers and increasing its share of business with existing customers. The sales growth was primarily achieved in the UK market.

We have a stable and committed workforce who we encourage to share ideas for improving business processes and opportunities. Costs have been kept under tight control. We continue our policy of targeted capital investment to improve operational efficiency and increase production.

We are also conscious of our environmental responsibilities and train our staff accordingly.

The company's balance sheet remained strong in the year with net assets standing at £5,814,441 at 31 March 2021 (2020: £7,146,968) and cash balances of £2,117,132 (2020: £883,459). We are seeking to expand our customer base within the manufacturing industry in the near future to continue the successful growth of the previous year.

PRINCIPAL RISKS AND UNCERTAINTIES

We do not believe there are any significant risks and uncertainties facing our business, other than those normally encountered within our industry.

EMPLOYEE INFORMATION

The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them and on the various factors affecting performance of the company.

It is the company's policy to give full consideration to applications for employment from disabled persons. Opportunities exist for employees of the company who become disabled to continue in their employment or to be trained for other positions within the company.

KEY PERFORMANCE INDICATORS

In summary the key performance indicators used to monitor business performance are as follows:

- Turnover movement;
- Operating profit percentage; and
- EBITDA movement

FINANCIAL INSTRUMENTS

Treasury operations

The company's finance function is responsible for managing the liquidity and interest risks associated with its activities. Its principal instruments are cash balances and a receivables finance facility. In addition the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from the operations of the business.

Liquidity risk

The company's finance function manages liquidity risk to minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating need of its business.

Interest rate risk

The company is exposed to a risk of interest rate movements on its bank borrowings.

Foreign currency risk

The company trades with other EU companies. To mitigate against foreign currency risk Euro trading is financed as much as possible out of the companies Euro account.

Credit risk


Cash surpluses will be applied to bank loan reduction. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

STRATEGIC REPORT
For The Year Ended 31 March 2021

COVID-19

The directors have considered the impact of COVID-19 in relation to their risk assessment and impact on the business. In their opinion have taken all reasonable steps to mitigate factors arising, including the consideration of employment sustainability, sourcing of supplies and customer base retention. Such factors are considered by the directors to represent ongoing inherent risk to the business that they will continue to seek to manage including any risks to cashflow and revenue sustainability.

ON BEHALF OF THE BOARD:


.....
J Farrell - Director

Date: 

REPORT OF THE DIRECTORS
For The Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

DIVIDENDS

Interim dividends of £3,660,000 (2020: £3,500,000) were paid during the year. The directors recommend that no final dividend be paid.

RESEARCH AND DEVELOPMENT

The company will continue to invest in research and development to optimise our production processes and enhance product and service offerings to new and existing customers

FUTURE DEVELOPMENTS

The company plans to continue organic development of existing operations through continued targeted expansion of our customer base.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

G R Morris
J Farrell
D Lennon

Other changes in directors holding office are as follows:

M M Khan - resigned 3 August 2020

FINANCIAL INSTRUMENTS

The company utilises various financial instruments including loans, cash and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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), 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 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 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.

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

REPORT OF THE DIRECTORS
For The Year Ended 31 March 2021

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
J Farrell - Director

Date: 27/5/21

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HANMERE POLYTHENE LIMITED**

Opinion

We have audited the financial statements of Hanmere Polythene Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 company's affairs as at 31 March 2021 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HANMERE POLYTHENE LIMITED**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 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.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

- We assess the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

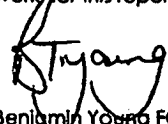
- Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

- We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.



Benjamin Young FCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
1 Rushmills
Bedford Road
Northampton
Northamptonshire
NN4 7YB

Date: 27 AUGUST 2021

HANMERE POLYTHENE LIMITED (REGISTERED NUMBER: 00876107)

STATEMENT OF COMPREHENSIVE
INCOME

For The Year Ended 31 March 2021

	Notes	2021 £	2020 £
TURNOVER	3	21,506,757	21,272,180
Cost of sales		10,977,918	11,261,052
GROSS PROFIT		10,528,839	10,011,128
Administrative expenses		7,923,581	7,160,111
OPERATING PROFIT	5	2,605,258	2,851,017
Interest receivable and similar income		-	1,238
		2,605,258	2,852,255
Interest payable and similar expenses	6	235,385	157,008
PROFIT BEFORE TAXATION		2,369,873	2,695,247
Tax on profit	7	42,400	151,974
PROFIT FOR THE FINANCIAL YEAR		2,327,473	2,543,273
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,327,473	2,543,273

The notes form part of these financial statements

HANMERE POLYTHENE LIMITED (REGISTERED NUMBER: 00876107)

BALANCE SHEET
31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9	2,591,366	1,870,000
CURRENT ASSETS			
Stocks	10	1,983,624	1,095,530
Debtors	11	13,456,935	12,685,831
Cash at bank and in hand		2,117,132	883,459
		<u>17,557,691</u>	<u>14,664,820</u>
CREDITORS			
Amounts falling due within one year	12	<u>13,790,730</u>	<u>7,323,127</u>
NET CURRENT ASSETS		<u>3,766,961</u>	<u>7,341,693</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,358,327</u>	<u>9,211,693</u>
CREDITORS			
Amounts falling due after more than one year	13	-	(1,558,890)
PROVISIONS FOR LIABILITIES	17	<u>(543,886)</u>	<u>(505,835)</u>
NET ASSETS		<u>5,814,441</u>	<u>7,146,968</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,525	1,525
Capital redemption reserve	19	475	475
Retained earnings	19	<u>5,812,441</u>	<u>7,144,968</u>
SHAREHOLDERS' FUNDS		<u>5,814,441</u>	<u>7,146,968</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22/5/21 and were signed on its behalf by:


J Farrell - Director

The notes form part of these financial statements

HANMERE POLYTHENE LIMITED (REGISTERED NUMBER: 00876107)

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2019	1,525	8,101,695	475	8,103,695
Changes in equity				
Dividends	-	(3,500,000)	-	(3,500,000)
Total comprehensive income	-	2,543,273	-	2,543,273
Balance at 31 March 2020	<u>1,525</u>	<u>7,144,968</u>	<u>475</u>	<u>7,146,968</u>
Changes in equity				
Dividends	-	(3,660,000)	-	(3,660,000)
Total comprehensive income	-	2,327,473	-	2,327,473
Balance at 31 March 2021	<u>1,525</u>	<u>5,812,441</u>	<u>475</u>	<u>5,814,441</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2021

1. STATUTORY INFORMATION

Hanmere Polythene 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 Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and have also been consistently applied within the same accounts.

There were no material departures from that standard.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

Improvements to property	- Over the term of the lease 7.5 years SL
Plant and machinery	- 10% on cost
Motor vehicles	- 25% on cost
Office equipment	- 20% on cost and 12.5% on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. For raw materials, cost is determined on a first in first out basis. For finished goods, cost is determined on a standard cost basis, which includes raw materials and an allocation of overhead costs. Provision is made in respect of obsolete and slow moving stock.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

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

Going concern

The directors have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	19,905,898	19,710,164
European Union	1,600,859	1,562,016
	<u>21,506,757</u>	<u>21,272,180</u>

4. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	4,145,313	3,753,273
Social security costs	387,013	362,861
Other pension costs	111,669	111,923
	<u>4,643,995</u>	<u>4,228,057</u>

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

	2021	2020
Production	99	94
Selling and distribution	12	12
Administration	7	6
	<u>118</u>	<u>112</u>

	2021 £	2020 £
Directors' remuneration	264,982	316,004
Directors' pension contributions to money purchase schemes	6,032	8,497
	<u>271,014</u>	<u>324,501</u>

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

	2021	2020
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	113,749	112,226
Pension contributions to money purchase schemes	4,758	4,711
	<u>118,507</u>	<u>116,937</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

5. OPERATING PROFIT

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

	2021	2020
	£	£
Other operating leases	247,832	128,388
Depreciation - owned assets	315,976	254,739
Profit on disposal of fixed assets	(6,143)	(16,063)
Auditors' remuneration	22,950	9,000

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	128,165	124,910
Bank charges	4,501	4,797
Foreign exchange differences	50,139	11,301
Arrangement fees	52,580	16,000

7. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	58,849	157,494
Prior year over provision	(54,500)	(153,579)
Total current tax	4,349	3,915
Deferred tax	38,051	148,059
Tax on profit	42,400	151,974

Reconciliation of total tax charge included in profit and loss

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

	2021	2020
	£	£
Profit before tax	2,369,873	2,695,247
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	450,276	512,097
Effects of:		
Expenses not deductible for tax purposes	64	1,815
Income not taxable for tax purposes	(1,168)	(3,286)
Capital allowances in excess of depreciation	(26,718)	(138,677)
Adjustments to tax charge in respect of previous periods	(54,500)	(153,579)
Deferred tax movement	38,051	148,059
Group relief	(363,605)	(214,455)
Total tax charge	42,400	151,974

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

8. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	<u>3,660,000</u>	<u>3,500,000</u>

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 April 2020	72,307	6,045,081	168,767	423,345	6,709,500
Additions	607,510	303,291	54,794	72,104	1,037,699
Disposals	-	-	(35,673)	-	(35,673)
At 31 March 2021	<u>679,817</u>	<u>6,348,372</u>	<u>187,888</u>	<u>495,449</u>	<u>7,711,526</u>
DEPRECIATION					
At 1 April 2020	-	4,470,546	108,383	260,571	4,839,500
Charge for year	26,570	204,479	30,864	54,063	315,976
Eliminated on disposal	-	-	(35,316)	-	(35,316)
At 31 March 2021	<u>26,570</u>	<u>4,675,025</u>	<u>103,931</u>	<u>314,634</u>	<u>5,120,160</u>
NET BOOK VALUE					
At 31 March 2021	<u>653,247</u>	<u>1,673,347</u>	<u>83,957</u>	<u>180,815</u>	<u>2,591,366</u>
At 31 March 2020	<u>72,307</u>	<u>1,574,535</u>	<u>60,384</u>	<u>162,774</u>	<u>1,870,000</u>

10. STOCKS

	2021 £	2020 £
Raw materials	1,122,286	622,068
Finished goods	<u>861,338</u>	<u>473,462</u>
	<u>1,983,624</u>	<u>1,095,530</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	4,724,142	4,978,850
Amounts owed by group undertakings	8,434,369	7,300,732
Other debtors	200	200
Tax	88,901	203,316
VAT	66,134	-
Prepayments and accrued income	<u>143,189</u>	<u>202,733</u>
	<u>13,456,935</u>	<u>12,685,831</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 14)	1,096,528	250,000
Trade creditors	3,466,811	2,536,578
Amounts owed to group undertakings	8,678,630	3,500,000
Corporation tax	-	108,244
Social security and other taxes	104,584	93,116
VAT	-	439,761
Other creditors	239,470	184,473
Accruals and deferred income	204,707	210,955
	<u>13,790,730</u>	<u>7,323,127</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 14)	<u>-</u>	<u>1,558,890</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	1,158,968	250,000
Arrangement fees	(62,440)	-
	<u>1,096,528</u>	<u>250,000</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>666,664</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	935,886
Arrangement fees	-	(43,660)
	<u>-</u>	<u>892,226</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	212,500	123,000
Between one and five years	850,000	492,000
In more than five years	354,167	328,000
	<u>1,416,667</u>	<u>943,000</u>

16. SECURED DEBTS

Bank loans above and other loans included in Trueman Bidco Limited are secured against fixed and floating charges over the assets of the group.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

17. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	289,340	251,289
Other provisions	254,546	254,546
	<u>543,886</u>	<u>505,835</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 April 2020	251,289	254,546
Charge to Statement of Comprehensive Income during year	38,051	-
Balance at 31 March 2021	<u>289,340</u>	<u>254,546</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
1,525	Ordinary	£1	<u>1,525</u>	<u>1,525</u>

19. RESERVES

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 April 2020	7,144,968	475	7,145,443
Profit for the year	2,327,473		2,327,473
Dividends	(3,660,000)		(3,660,000)
At 31 March 2021	<u>5,812,441</u>	<u>475</u>	<u>5,812,916</u>

20. PENSION COMMITMENTS

The company contributes to a group personal pension plan open to current employees who meet the eligibility criteria. It is administered by Scottish Widows on a money purchase basis with individual policies for each member: the company offers and is liable for no guarantees.

The company has a designated stakeholder scheme for those employees who do not meet the eligibility criteria.

The total pension cost for the year was £111,668 (2020: £111,923).

Pension contributions outstanding included in other creditors at 31 March 2021 amounted to £20,768 (2020: £19,321).

21. ULTIMATE PARENT COMPANY

The company is wholly owned by Trueman Parent A Limited, an intermediate parent company.

The ultimate parent company is Trueman Holdco Limited, a company incorporated in England.

22. CAPITAL COMMITMENTS

	2021	2020
	£	£
Contracted but not provided for in the financial statements	<u>82,305</u>	<u>87,904</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

23. **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.

During the year, a total of key management personnel compensation of £271,014 (2020 - £324,501) was paid.

24. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Chiltern Capital LLP.