

**REGISTERED NUMBER: 01378413 (England and Wales)**

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 2019

FOR

CLWYD COMPOUNDERS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

CLWYD COMPOUNDERS LIMITED  
COMPANY INFORMATION  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

<b>DIRECTORS:</b>	J G Haywood S A Haywood M Winrow D G O'Hare
<b>SECRETARY:</b>	S A Haywood
<b>REGISTERED OFFICE:</b>	1 Elm Point Abbey Road North Wrexham Industrial Estate Wrexham LL13 9UE
<b>REGISTERED NUMBER:</b>	01378413 (England and Wales)
<b>AUDITORS:</b>	M. D. Coxey and Co. Limited Chartered Accountants and Statutory Auditors 25 Grosvenor Road Wrexham LL11 1BT
<b>BANKERS:</b>	HSBC Bank plc 17-19 Regent Street Wrexham LL11 1RN

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30TH NOVEMBER 2019**

The directors present their strategic report for the year ended 30th November 2019.

**REVIEW OF BUSINESS**

2019 has seen a return to profitability as the business has consolidated its operations at Abbey Road, closed the old site and started to see the benefits of its new ERP system in streamlining operations.

Sales have improved, although the continued uncertainty over Brexit continues to adversely affect customer confidence in many cases. The business is well placed to develop its operations and David O'Hare has his senior team in place in readiness for the departure of joint MD Richard Thomas, who retires on 31-12-19, and the move of the founding directors to part time advisory roles.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors will continue to identify, monitor and manage potential risks and uncertainties to the company, at present the principal risks are considered to be the following:-

- Market conditions remain volatile and hard to predict. The lack of certainty about Britain's future relationship with the EU continues to make business planning difficult.

While many of our immediate customers are UK based, we estimate that 70% of the products we supply to them are ultimately exported, with a substantial percentage going to the EU. In addition to the short-term risks, which are now clearly apparent, in the longer term there remains a significant threat from reduced inward investment in the UK advanced manufacturing sector, removal of opportunities to participate in EU funded projects, etc.

- Exchange rate risk; the company lost money due to its forward buying policy for the euro and the end of year surge in the value of the £; however, the degree of volatility seen highlights the continued need for action.

- Recovery has been evident in the oil and gas markets, which is helping business in this sector.

- Withdrawal of some raw materials, due to suppliers finding either that it is uneconomic to seek for registration for them, or that they are, or they contain, actual or potential Substances of Very High Concern under the REACH (Registration, Authorisation and Evaluation of Chemicals) legislation. While it appears that a separate UK regime is envisaged when we leave the EU, the existing rules would continue to apply in the meantime- change is unlikely to come soon.

- The Ruabon site has now been handed back to the landlord, and no additional costs are expected to arise.

In addition to the above, as we write this report, the seriousness of the Covid-19 situation is becoming fully apparent. As an essential industry, we need to balance the need to ensure the safety of our own staff with the requirements of the wider community. The risks are potentially huge, and as yet unquantifiable. The business has implemented homeworking wherever possible, and implemented guidance for safe working for production and laboratory staff who have to attend. Key suppliers have been contacted; they are also deemed essential. We do however anticipate significant reduction in demand as use of transport, etc, decreases dramatically due to the measures recently announced together with increased costs as we pay our staff who are having to self-isolate so we are taking all reasonable steps to conserve cash within the group.

**ON BEHALF OF THE BOARD:**

S A Haywood - Secretary

24th March 2020

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH NOVEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 30th November 2019.

**DIVIDENDS**

An interim dividend of £2.1243 per share was paid on 30th November 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30th November 2019 will be £ 104,091 .

**FUTURE DEVELOPMENTS**

The company is in a strong position to develop it's operations.

**DIRECTORS**

The directors set out in the table below have held office during the whole of the period from 1st December 2018 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

R L Thomas ceased to be a director after 30th November 2019 but prior to the date of this report.

The directors shown below were in office at 30th November 2019 but did not hold any interest in the Ordinary shares of £0.10 each at 1st December 2018 or 30th November 2019.

J G Haywood  
S A Haywood  
R L Thomas  
M Winrow  
D G O'Hare

**FINANCIAL INSTRUMENTS**

The company's operations expose it to a variety of financial risks including price risk, credit risk, liquidity risk and cash flow risk.

The company's principal financial instruments comprise sterling, euro and dollar cash and bank deposit, together with trade debtors and trade creditors that arise directly from operations.

**Credit risk**

The company's credit risk is primarily attributable to its trade debtors. Credit risk is mitigated by monitoring and management of the credit limits given to its customers.

**Price risk**

The company is exposed to currency fluctuations as many raw materials need to be purchased in euros. Company policy is to internally hedge as much as possible, and to purchase the balance of euros required 3 months in advance. Formal hedging instruments are not used due to the difficulty in forecasting demand accurately

**Liquidity risk/ cash flow risk**

The company has experienced fluctuating sales levels from month to month over the last few years; as short lead time suppliers we are quickly affected by "market shocks" such as oil price fluctuations and the Brexit vote. The directors consider that the company has the financial strength to cover the impact of such events.

**POST BALANCE SHEET EVENTS**

There have been no events since the year end which would materially affect the financial statements.

**FINANCIAL RISK MANAGEMENT**

To mitigate the effects of such risks the Directors have established procedures and methods which are reviewed on a regular basis, both on a monitoring basis and as a mechanism to identify new risks and uncertainties and to plan accordingly.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH NOVEMBER 2019**

**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). 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, M. D. Coxey and Co. Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

S A Haywood - Secretary

24th March 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**CLWYD COMPOUNDERS LIMITED**

**Opinion**

We have audited the financial statements of Clwyd Compounders Limited (the 'company') for the year ended 30th November 2019 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 30th November 2019 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**

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

**Other information**

The directors are responsible for the other information. The other information comprises the information 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 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CLWYD COMPOUNDERS LIMITED

**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.

**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.

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

Anthony Lewis (Senior Statutory Auditor)  
for and on behalf of M. D. Coxey and Co. Limited  
Chartered Accountants  
and Statutory Auditors  
25 Grosvenor Road  
Wrexham  
LL11 1BT

24th March 2020



STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

	Notes	30.11.19 £	£	30.11.18 £	£
<b>TURNOVER</b>	3		12,473,697		11,753,039
Cost of sales			7,961,881		8,092,604
<b>GROSS PROFIT</b>			4,511,816		3,660,435
Distribution costs		118,588		131,302	
Administrative expenses		4,129,579		4,125,986	
			4,248,167		4,257,288
			263,649		(596,853)
Other operating income	4		6,119		108
<b>OPERATING PROFIT/(LOSS)</b>	7		269,768		(596,745)
Interest receivable and similar income	8		709		1,243
			270,477		(595,502)
Interest payable and similar expenses	9		-		91
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			270,477		(595,593)
Tax on profit/(loss)	10		(1,606)		(100,409)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			272,083		(495,184)
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			272,083		(495,184)

The notes form part of these financial statements

**BALANCE SHEET**  
**30TH NOVEMBER 2019**

	Notes	30.11.19 £	£	30.11.18 £	£
<b>FIXED ASSETS</b>					
Tangible assets	12		3,433,047		3,744,325
<b>CURRENT ASSETS</b>					
Stocks	13	2,123,131		1,972,544	
Debtors	14	2,705,591		3,051,383	
Cash at bank and in hand		<u>1,022,634</u>		<u>237</u>	
		5,851,356		5,024,164	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>1,890,594</u>		<u>1,597,066</u>	
<b>NET CURRENT ASSETS</b>			<u>3,960,762</u>		<u>3,427,098</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,393,809		7,171,423
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>134,107</u>		<u>79,713</u>
<b>NET ASSETS</b>			<u><u>7,259,702</u></u>		<u><u>7,091,710</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		49,000		49,000
Capital redemption reserve	21		1,000		1,000
Retained earnings	21		<u>7,209,702</u>		<u>7,041,710</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>7,259,702</u></u>		<u><u>7,091,710</u></u>

The financial statements were approved by the Board of Directors on 24th March 2020 and were signed on its behalf by:

J G Haywood - Director

S A Haywood - Director

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1st December 2017</b>	49,000	7,536,894	1,000	7,586,894
<b>Changes in equity</b>				
Total comprehensive income	-	(495,184)	-	(495,184)
<b>Balance at 30th November 2018</b>	49,000	7,041,710	1,000	7,091,710
<b>Changes in equity</b>				
Dividends	-	(104,091)	-	(104,091)
Total comprehensive income	-	272,083	-	272,083
<b>Balance at 30th November 2019</b>	49,000	7,209,702	1,000	7,259,702

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2019**

**1. STATUTORY INFORMATION**

Clwyd Compounders 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.

The presentation currency of the financial statements is the Pound Sterling (£).

**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.

**Status and principal activities**

Clwyd Compounders Limited is a company limited by shares, incorporated in England and Wales. Its Registered Office is 1 Elm Point, Abbey Road North, Wrexham Industrial Estate, Wrexham, LL13 9UE.

The principal activity of the company is the manufacture of rubber compounds.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions 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;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

**Related party exemption**

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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

2. **ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

In the application of the Company's accounting policies, management are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

- Estimated useful lives and residual values of fixed assets:

Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during current and prior accounting periods.

- Estimated write down of stock to net realisable value:

Stock valuation has been based on an estimated useful life and residual value deemed appropriate by the directors. The estimated write down of stock to net realisable value is reviewed annually and revised as appropriate by the directors.

- Revenue recognition:

In making its judgement, management consider the detailed criteria for the recognition of revenue as set out within Section 23 of FRS 102. The directors are satisfied that the recognition point being typically when goods are delivered and legal title has passed is correct.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of Value Added Tax.

**Sales of goods**

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when the risks and rewards of ownership have passed to the customer. This typically happens when goods are delivered and legal title has passed.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- The length of the lease
Plant and machinery	- 10% on cost
Fixtures, fittings & equipment	- 10% - 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 10% - 20% on cost

**Stocks**

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument.

Cash and cash equivalents:

These comprise cash at bank and other short-term highly liquid bank deposits with an original maturity of three months or less.

Debtors:

Debtors do not carry any interest and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account when there is objective evidence that the asset is impaired.

Trade creditors:

Trade creditors are not interest bearing and are stated at their nominal value.

Intra-group balances (being repayable on demand) are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

**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 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.

**Pension costs and other post-retirement benefits**

Contributions are made to a group personal pension plan for the benefit of staff managed by an independent insurance company. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

**3. TURNOVER**

The turnover and profit (2018 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	30.11.19	30.11.18
	£	£
Manufacture of rubber compound	12,473,697	11,753,039
	<u>12,473,697</u>	<u>11,753,039</u>

An analysis of turnover by geographical market is given below:

	30.11.19	30.11.18
	£	£
United Kingdom	10,456,256	9,864,294
European Community	955,990	1,154,391
Non European Community	1,061,451	734,354
	<u>12,473,697</u>	<u>11,753,039</u>

**4. OTHER OPERATING INCOME**

	30.11.19	30.11.18
	£	£
Other income	<u>6,119</u>	<u>108</u>

**5. EMPLOYEES AND DIRECTORS**

	30.11.19	30.11.18
	£	£
Wages and salaries	2,640,070	2,675,687
Social security costs	254,875	272,868
Other pension costs	267,236	272,629
	<u>3,162,181</u>	<u>3,221,184</u>

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

	30.11.19	30.11.18
Production	37	40
Sales, technical and laboratory	29	28
Administration	7	8
	<u>73</u>	<u>76</u>

**6. DIRECTORS' EMOLUMENTS**

	30.11.19	30.11.18
	£	£
Directors' remuneration	427,637	503,969
Directors' pension contributions to money purchase schemes	<u>63,389</u>	<u>55,323</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

**6. DIRECTORS' EMOLUMENTS - continued**

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

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	30.11.19	30.11.18
	£	£
Emoluments etc	120,348	172,470
Pension contributions to money purchase schemes	<u>40,702</u>	<u>35,080</u>

Key management are also the directors.

**7. OPERATING PROFIT/(LOSS)**

The operating profit (2018 - operating loss) is stated after charging/(crediting):

	30.11.19	30.11.18
	£	£
Depreciation - owned assets	450,288	501,403
Loss/(profit) on disposal of fixed assets	505	(46,016)
Auditors' remuneration	14,000	14,930
Auditors' remuneration for non audit work	1,500	-
Foreign exchange differences	46,838	10,489
Operating lease rentals: other assets	<u>347,433</u>	<u>240,845</u>

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	30.11.19	30.11.18
	£	£
Deposit account interest	<u>709</u>	<u>1,243</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.11.19	30.11.18
	£	£
Bank interest	<u>-</u>	<u>91</u>

**10. TAXATION****Analysis of the tax credit**

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

	30.11.19	30.11.18
	£	£
Current tax:		
UK corporation tax	(56,000)	-
Deferred tax	54,394	(100,409)
Tax on profit/(loss)	<u>(1,606)</u>	<u>(100,409)</u>

UK corporation tax has been charged at 19% (2018 - 19%).



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

10. **TAXATION - continued****Reconciliation of total tax credit 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:

	30.11.19 £	30.11.18 £
Profit/(loss) before tax	<u>270,477</u>	<u>(595,593)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	51,391	(113,163)
Effects of:		
Adjustments to tax charge in respect of previous periods	13,152	-
Permanent timing differences	(1,166)	15,354
Pension timing differences	1,742	(2,600)
Research & development	(42,571)	-
Research & development prior year claim	(24,154)	-
Total tax credit	<u>(1,606)</u>	<u>(100,409)</u>

11. **DIVIDENDS**

	30.11.19 £	30.11.18 £
Interim	<u>104,091</u>	<u>-</u>

12. **TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures, fittings & equipment £
<b>COST</b>			
At 1st December 2018	1,916,862	3,526,675	1,210,815
Additions	18,378	39,595	50,290
Disposals	-	(1,180,180)	(661,847)
At 30th November 2019	<u>1,935,240</u>	<u>2,386,090</u>	<u>599,258</u>
<b>DEPRECIATION</b>			
At 1st December 2018	1,025,891	1,724,378	995,169
Charge for year	64,475	214,371	54,994
Eliminated on disposal	-	(1,171,875)	(661,868)
At 30th November 2019	<u>1,090,366</u>	<u>766,874</u>	<u>388,295</u>
<b>NET BOOK VALUE</b>			
At 30th November 2019	<u>844,874</u>	<u>1,619,216</u>	<u>210,963</u>
At 30th November 2018	<u>890,971</u>	<u>1,802,297</u>	<u>215,646</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

12. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1st December 2018	58,190	950,420	7,662,962
Additions	22,000	21,980	152,243
Disposals	(29,690)	-	(1,871,717)
At 30th November 2019	<u>50,500</u>	<u>972,400</u>	<u>5,943,488</u>
<b>DEPRECIATION</b>			
At 1st December 2018	34,241	138,958	3,918,637
Charge for year	7,167	109,281	450,288
Eliminated on disposal	(24,741)	-	(1,858,484)
At 30th November 2019	<u>16,667</u>	<u>248,239</u>	<u>2,510,441</u>
<b>NET BOOK VALUE</b>			
At 30th November 2019	<u>33,833</u>	<u>724,161</u>	<u>3,433,047</u>
At 30th November 2018	<u>23,949</u>	<u>811,462</u>	<u>3,744,325</u>

13. **STOCKS**

	30.11.19 £	30.11.18 £
Raw materials & consumables	1,966,916	1,805,482
Work-in-progress	<u>156,215</u>	<u>167,062</u>
	<u>2,123,131</u>	<u>1,972,544</u>

The amount of stock recognised as an expense in cost of sales during the period was £6,730,179 (2018: £6,769,445).

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.11.19 £	30.11.18 £
Trade debtors	2,528,807	2,437,135
Amounts owed by group undertakings	17,038	331,129
Other debtors	4,996	-
Corporation tax recoverable	56,135	120,946
Prepayments	<u>98,615</u>	<u>162,173</u>
	<u>2,705,591</u>	<u>3,051,383</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.11.19	30.11.18
	£	£
Bank loans and overdrafts (see note 16)	-	166,853
Trade creditors	1,270,387	778,357
Corporation tax	135	-
Social security and other taxes	67,128	67,402
VAT	234,194	267,337
Other creditors & accruals	318,750	317,117
	<u>1,890,594</u>	<u>1,597,066</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	30.11.19	30.11.18
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>166,853</u>

**17. LEASING AGREEMENTS**

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

	30.11.19	30.11.18
	£	£
Within one year	300,000	342,573
Between one and five years	1,200,000	1,200,000
In more than five years	2,550,000	2,850,000
	<u>4,050,000</u>	<u>4,392,573</u>

**18. SECURED DEBTS**

Multilateral guarantee in place 17th May 2017 given by Clwyd Compounders Limited and Clwydian Group Limited.

A debenture was created on 17th May 2017 whereby the company has granted a fixed charge over all present freehold and leasehold property; First fixed charge over books and other debts, chattels, goodwill and uncalled capital, both present and future; and First floating charge over all assets in favour of HSBC Bank PLC.

**19. PROVISIONS FOR LIABILITIES**

	30.11.19	30.11.18
	£	£
Deferred tax		
Accelerated capital allowances	<u>134,107</u>	<u>79,713</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2019

**19. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1st December 2018	79,713
Movement in the year due to:	
Changes in tax allowances	7,195
Changes in tax losses	2,066
Prior year adjustment	13,152
Prior year R&D adjustment	31,981
Balance at 30th November 2019	<u>134,107</u>

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.11.19 £	30.11.18 £
490,000	Ordinary	£0.10	<u>49,000</u>	<u>49,000</u>

**21. RESERVES**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1st December 2018	7,041,710	1,000	7,042,710
Profit for the year	272,083		272,083
Dividends	(104,091)		(104,091)
At 30th November 2019	<u>7,209,702</u>	<u>1,000</u>	<u>7,210,702</u>

**22. PENSION COMMITMENTS**

Contributions totalling £35,605 (2018: £26,440) were payable to the funds at the year end and are included in creditors.

**23. ULTIMATE PARENT COMPANY**

Clwydian Group Limited is regarded by the directors as being the company's ultimate parent company.

**24. CAPITAL COMMITMENTS**

	30.11.19 £	30.11.18 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>34,000</u>

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