

REGISTERED NUMBER: 01624460 (England and Wales)

BRADGATE CONTAINERS LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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FOR THE YEAR ENDED 31 AUGUST 2019**

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BRADGATE CONTAINERS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2019**

DIRECTORS:	J P Bexon D Gallacher J W James W A James N C Ryman P N Stapleton A W Fox
SECRETARY:	D Gallacher
REGISTERED OFFICE:	1 Leicester Road Shepshed Loughborough Leicestershire LE12 9EG
REGISTERED NUMBER:	01624460 (England and Wales)
SENIOR STATUTORY AUDITOR:	Ian Phillips FCA
AUDITORS:	Duncan & Toplis Limited, Statutory Auditor The Gables Bishop Meadow Road Loughborough Leicestershire LE11 5RE
BANKERS:	National Westminster Bank plc Market Place Loughborough Leicestershire LE11 3NZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The directors present their strategic report for the year ended 31 August 2019.

REVIEW OF BUSINESS

The company manufactures bespoke containers and modules to house specific equipment, to offer protection from the environment, or to offer protection from fire and blast for the petrochemical, oil, rail and power industries on a global basis. All bespoke equipment is manufactured from the company's UK manufacturing facility.

Revenue has increased by £2,075,612 in the year ended 31 August 2019 to £18,487,448. Gross profit has increased by £1,639,578, 5.75% to 33.46%. As a result the company has made a profit before taxation of £1,380,941 an increase of £1,610,810 on 2018.

The gas and oil market is still a challenging market to trade in, this is not expected to see a major recovery until 2019/20 at the earliest, but the other markets the company trades in are doing well and due to this the company has been able to gain a higher gross profit margin on contracts won. This, together with a general focus on cost savings and efficiency across the firm, has increased the overall gross profit margin.

The above result has seen net assets increase by £1,128,951 to £3,740,832.

DEVELOPMENT AND PERFORMANCE

The business is geared to a highly bespoke and niche market place product, which requires a high level of certification and documentation. The high level of specification requires continuous training for personnel updating procedures and certifications that is required by our client base. We continue to invest in maintaining our edge within the market place in personnel, equipment and software where appropriate, the aim is always to maintain growth and profitability in all of our market sectors.

Whilst Brexit has impacted the local economy the board considers that the company will not be directly affected, the company will continue to respond to any changes leading up to the Brexit deadline.

KEY PERFORMANCE INDICATORS

	2019	2018	% inc /
	£'000	£'000	(dec)
Revenue	18,487	16,412	12.64
Gross Profit	6,187	4,547	36.07
Gross Profit %	33.46%	27.71%	5.75
Net Profit / (Loss) Before Taxation	1,381	(230)	700.43
Net Profit / (Loss) %	7.47%	(1.40)%	8.87
Earnings Before Interest, Tax, Depreciation and Amortisation	1,650	215	6.67

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

PRINCIPAL RISKS AND UNCERTAINTIES

The company is continually at the mercy of the global market place and to this end there are areas that we are unable to control if capital investment has been withheld. However, areas that we continue to trade in are relatively buoyant and maintain a high level of activity in several sectors.

There is a constant requirement to meet ever more challenging equipment specifications, but the directors consider that the company is well placed to meet these new challenges.

The company continues to quote in Sterling and to date has not suffered significant currency fluctuations. However, we have the ability to buy forward and protect our prices if other currencies are requested.

ON BEHALF OF THE BOARD:

P N Stapleton - Director

18 December 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a manufacturer of bespoke containers and modules.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2018 to the date of this report.

J P Bexon
D Gallacher
J W James
W A James
N C Ryman
P N Stapleton
A W Fox

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

ON BEHALF OF THE BOARD:

P N Stapleton - Director

18 December 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRADGATE CONTAINERS LIMITED

Opinion

We have audited the financial statements of Bradgate Containers Limited (the 'company') for the year ended 31 August 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, 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 August 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 BRADGATE CONTAINERS 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. 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.

Ian Phillips FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
The Gables
Bishop Meadow Road
Loughborough
Leicestershire
LE11 5RE

18 December 2019

**INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
REVENUE	3	18,487,448	16,411,836
Cost of sales		<u>12,300,771</u>	<u>11,864,737</u>
GROSS PROFIT		6,186,677	4,547,099
Administrative expenses		<u>4,810,203</u>	<u>4,777,291</u>
		1,376,474	(230,192)
Other operating income		<u>4,100</u>	<u>-</u>
OPERATING PROFIT/(LOSS)	5	1,380,574	(230,192)
Interest receivable and similar income		<u>367</u>	<u>323</u>
PROFIT/(LOSS) BEFORE TAXATION		1,380,941	(229,869)
Tax on profit/(loss)	6	<u>251,990</u>	<u>(59,330)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,128,951</u>	<u>(170,539)</u>

The notes form part of these financial statements

BRADGATE CONTAINERS LIMITED (REGISTERED NUMBER: 01624460)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
PROFIT/(LOSS) FOR THE YEAR		1,128,951	(170,539)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,128,951</u>	<u>(170,539)</u>

The notes form part of these financial statements

BRADGATE CONTAINERS LIMITED (REGISTERED NUMBER: 01624460)**STATEMENT OF FINANCIAL POSITION
31 AUGUST 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Property, plant and equipment	8		2,506,902		2,550,161
Investments	9		<u>-</u>		<u>-</u>
			2,506,902		2,550,161
CURRENT ASSETS					
Inventories	10	290,393		256,718	
Debtors	11	5,486,678		5,949,325	
Cash at bank and in hand		<u>1,901,575</u>		<u>478,930</u>	
		7,678,646		6,684,973	
CREDITORS					
Amounts falling due within one year	12	<u>6,266,894</u>		<u>6,447,458</u>	
NET CURRENT ASSETS			<u>1,411,752</u>		<u>237,515</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,918,654</u>		<u>2,787,676</u>
PROVISIONS FOR LIABILITIES					
	14		<u>177,822</u>		<u>175,795</u>
NET ASSETS			<u>3,740,832</u>		<u>2,611,881</u>
CAPITAL AND RESERVES					
Called up share capital	15		25,000		25,000
Non-distributable reserve	16		427,226		428,453
Retained earnings	16		<u>3,288,606</u>		<u>2,158,428</u>
SHAREHOLDERS' FUNDS			<u>3,740,832</u>		<u>2,611,881</u>

The financial statements were approved and authorised for issue by the Board of Directors on 18 December 2019 and were signed on its behalf by:

P N Stapleton - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019

	Called up share capital £	Retained earnings £	Non-distributable reserve £	Total equity £
Balance at 1 September 2017	25,000	2,487,740	429,680	2,942,420
Changes in equity				
Dividends	-	(160,000)	-	(160,000)
Total comprehensive income	-	(169,312)	(1,227)	(170,539)
Balance at 31 August 2018	25,000	2,158,428	428,453	2,611,881
Changes in equity				
Total comprehensive income	-	1,130,178	(1,227)	1,128,951
Balance at 31 August 2019	25,000	3,288,606	427,226	3,740,832

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. STATUTORY INFORMATION

Bradgate Containers 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 (£).

The nature of the company's operations and principal activities are detailed in the report of the directors on page three.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the 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 on a going concern basis under the historical cost convention as modified by the revaluation of certain assets.

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 33 Related Party Disclosures paragraph 33.7.

The company is a subsidiary of Bradgate Containers (Holdings) Limited. Consolidated financial statements of Bradgate Containers (Holdings) Limited can be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

Preparation of consolidated financial statements

The financial statements contain information about Bradgate Containers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Bradgate Containers (Holdings) Limited, a company registered in England and Wales.

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 31 AUGUST 2019

2. ACCOUNTING POLICIES - continued

Significant accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent 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 sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

(i) Amounts recoverable on contracts

The level of turnover included for any particular contract in progress at the year end is based on an estimated percentage complete, as determined by the directors.

Revenue

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

Property, plant and equipment

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

Land and buildings - freehold	Straight line over fifty years
Land and buildings - leasehold	Straight line over fifty years
Plant and machinery	15% reducing balance basis & 25% straight line
Fixtures, fittings and equipment	15% reducing balance basis, 25% straight line & 50% straight line
Motor vehicles	25% reducing balance basis & 25% straight line

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

Inventories

Inventories are stated at the lower of cost and fair value less costs to complete and sell. Inventories are accounted for on a first-in-first-out basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES - continued

Deferred tax

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

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.

Revenue recognition

Revenue is generally recognised on short term contracts as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not invoiced is included in amounts recoverable on contracts and payments on account in excess of the relevant amount of revenue are included in creditors.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors 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.

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.

Basic financial liabilities, including trade and other creditors, bank loans 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. REVENUE

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

An analysis of revenue by geographical market is given below:

	2019	2018
	£	£
United Kingdom	17,786,789	15,178,264
EEC	153,246	660,973
Rest of World	547,413	572,599
	<u>18,487,448</u>	<u>16,411,836</u>

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	4,032,583	3,796,896
Social security costs	499,840	472,829
Other pension costs	85,726	57,710
	<u>4,618,149</u>	<u>4,327,435</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

4. EMPLOYEES AND DIRECTORS - continued

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

	2019	2018
Office and management	47	48
Manufacturing and services	33	36
	<u>80</u>	<u>84</u>

	2019	2018
	£	£
Directors' remuneration	1,715,888	1,571,962
Directors' pension contributions to money purchase schemes	<u>17,142</u>	<u>17,325</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	<u>437,741</u>	<u>431,149</u>

5. OPERATING PROFIT/(LOSS)

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

	2019	2018
	£	£
Hire of plant and machinery	104,783	201,155
Other operating leases	189,938	186,445
Depreciation - owned assets	268,419	334,813
Profit on disposal of fixed assets	(49,432)	(77,572)
Auditors' remuneration	17,340	17,000
Foreign exchange differences	<u>918</u>	<u>892</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

6. TAXATION**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	249,964	(8,852)
Adjustment re previous years	-	(48,358)
Total current tax	<u>249,964</u>	<u>(57,210)</u>
Deferred tax	2,026	(2,120)
Tax on profit/(loss)	<u>251,990</u>	<u>(59,330)</u>

Reconciliation of total tax charge/(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:

	2019 £	2018 £
Profit/(loss) before tax	<u>1,380,941</u>	<u>(229,869)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	262,379	(43,675)
Effects of:		
Expenses not deductible for tax purposes	8,288	32,102
Capital allowances in excess of depreciation	(682)	-
Depreciation in excess of capital allowances	-	2,984
Adjustments to tax charge in respect of previous periods	-	(48,358)
Group relief	(20,021)	-
Deferred tax	2,026	(2,120)
Change in tax rate	-	(263)
Total tax charge/(credit)	<u>251,990</u>	<u>(59,330)</u>

7. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>160,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 September 2018	1,501,295	88,043	2,252,965
Additions	50,386	5,214	15,708
Disposals	-	-	(79,302)
At 31 August 2019	<u>1,551,681</u>	<u>93,257</u>	<u>2,189,371</u>
DEPRECIATION			
At 1 September 2018	105,418	20,536	1,658,347
Charge for year	26,733	1,761	91,433
Eliminated on disposal	-	-	(73,977)
At 31 August 2019	<u>132,151</u>	<u>22,297</u>	<u>1,675,803</u>
NET BOOK VALUE			
At 31 August 2019	<u>1,419,530</u>	<u>70,960</u>	<u>513,568</u>
At 31 August 2018	<u>1,395,877</u>	<u>67,507</u>	<u>594,618</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 September 2018	308,953	973,602	5,124,858
Additions	26,000	203,964	301,272
Disposals	(26,680)	(206,329)	(312,311)
At 31 August 2019	<u>308,273</u>	<u>971,237</u>	<u>5,113,819</u>
DEPRECIATION			
At 1 September 2018	282,140	508,256	2,574,697
Charge for year	17,354	131,138	268,419
Eliminated on disposal	(22,254)	(139,968)	(236,199)
At 31 August 2019	<u>277,240</u>	<u>499,426</u>	<u>2,606,917</u>
NET BOOK VALUE			
At 31 August 2019	<u>31,033</u>	<u>471,811</u>	<u>2,506,902</u>
At 31 August 2018	<u>26,813</u>	<u>465,346</u>	<u>2,550,161</u>

The company applied the transitional arrangements of section 35 of FRS102 and used a previous valuation as the deemed cost for the freehold property. The property is depreciated from the valuation date. As the property is depreciated or sold, an appropriate transfer is made from the non-distributable reserve to retained earnings. Analysis of land and buildings valued at the date of transition to FRS102 using the deemed cost exemption is detailed below.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

8. PROPERTY, PLANT AND EQUIPMENT - continued

Cost or valuation at 31 August 2019 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £
Valuation in 2015	61,370	-	-
Cost	<u>1,490,311</u>	<u>93,257</u>	<u>2,189,371</u>
	<u>1,551,681</u>	<u>93,257</u>	<u>2,189,371</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2015	-	-	61,370
Cost	<u>308,273</u>	<u>971,237</u>	<u>5,052,449</u>
	<u>308,273</u>	<u>971,237</u>	<u>5,113,819</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2019 £	2018 £
Cost	<u>1,490,312</u>	<u>1,439,925</u>
Aggregate depreciation	<u>498,007</u>	<u>472,501</u>
Value of land in freehold land and buildings	<u>182,615</u>	<u>182,615</u>

Freehold land and buildings were valued on an open market basis on 1 September 2014 by Mather Jamie, qualified independent valuers. The methods and assumptions used to ascertain the fair value are in accordance with RICS standards, and the valuation was prepared having regard to the market based evidence for similar properties sold in the local area.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 September 2018 and 31 August 2019	<u>140,000</u>
PROVISIONS	
At 1 September 2018 and 31 August 2019	<u>140,000</u>
NET BOOK VALUE	
At 31 August 2019	<u>-</u>
At 31 August 2018	<u>-</u>

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

KE Realisations 2018 Ltd (Formerly Kirton Engineering Ltd)

Registered office: England and Wales

Nature of business: Manufacturing of water reclamation equipment

Class of shares:	% holding
Ordinary	100.00

During the prior year KE Realisations 2018 Ltd (Formerly Kirton Engineering Ltd) went into administration.

10. INVENTORIES

	2019 £	2018 £
Raw materials	<u>290,393</u>	<u>256,718</u>

Inventories recognised in cost of sales as an expense during the year were £5,952,144 (2018 £5,620,025).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	3,819,153	3,583,876
Amounts owed by group undertakings	89,581	730,112
Amounts recoverable on contract	1,415,971	1,430,652
Other debtors	2,100	58,452
Prepayments	<u>159,873</u>	<u>146,233</u>
	<u>5,486,678</u>	<u>5,949,325</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Payments on account	226,313	72,712
Trade creditors	1,727,366	1,726,395
Amounts owed to group undertakings	2,985,453	3,903,957
Corporation tax	241,111	-
Other taxes and social security	135,540	129,572
VAT	557,306	352,749
Directors' current accounts	164,787	200,000
Accrued expenses	229,018	62,073
	<u>6,266,894</u>	<u>6,447,458</u>

13. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	3,819,153	3,583,876
Amounts owed by group undertakings	89,581	730,112
Amounts recoverable on contract	1,415,971	1,430,652
Other debtors	2,100	58,452
Financial liabilities measured at amortised cost		
Payments on account	226,313	72,712
Trade creditors	1,727,365	1,726,395
Amounts owed to group undertakings	2,985,453	3,903,957
Directors' current accounts	164,787	200,000

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil (2018 - £nil) and £nil (2018 - £nil) respectively.

14. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	<u>177,822</u>	<u>175,795</u>
		Deferred tax
		£
Balance at 1 September 2018		175,795
Provided during year		2,027
Balance at 31 August 2019		<u>177,822</u>

The expected reversal of deferred tax liabilities during the year ended 31 August 2020 is not considered to be significant based on the company's planned capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2019 £	2018 £
25,000	Ordinary		<u>25,000</u>	<u>25,000</u>

16. RESERVES

	Retained earnings £	Non-distributable reserve £	Totals £
At 1 September 2018	2,158,428	428,453	2,586,881
Profit for the year	1,128,951		1,128,951
Excess depreciation transfer	<u>1,227</u>	<u>(1,227)</u>	<u>-</u>
At 31 August 2019	<u>3,288,606</u>	<u>427,226</u>	<u>3,715,832</u>

Called up share capital - represents the nominal value of shares that have been issued.

Non-distributable reserve - the aggregate surplus on re-measurement of freehold properties, net of associated deferred tax, is transferred to a separate non-distributable reserve in order to assist with the identification of profits available for distribution.

Retained earnings - includes all current and prior period retained profits and losses.

17. ULTIMATE PARENT COMPANY

Bradgate Containers (Holdings) Limited is regarded by the directors as being the company's ultimate parent company.

The company is controlled by P N Stapleton, D Gallacher, W A James and J W James through their shareholdings in Bradgate Containers (Holdings) Limited.

18. CONTINGENT LIABILITIES

There is an unlimited composite intercompany guarantee totalling £336,747 (2018: £442,525) to secure the bank borrowings of companies within the Bradgate Containers (Holdings) Limited group.

19. RELATED PARTY DISCLOSURES

Bradgate Containers Limited paid rent of £189,936 (2018 £186,445) and insurance of £10,015 (2018 £9,405) to a company owned by two of the directors, and in 2019 they also recharged building repairs amounting to £50,000.

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