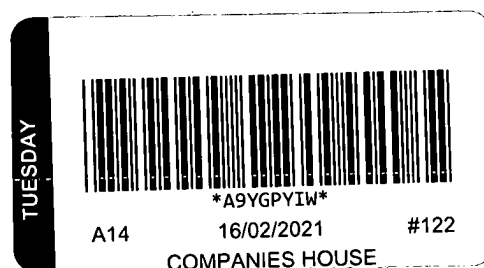


Company registration number: 01041114

D. Wardle (Plant) Ltd

Financial statements

31 March 2020



D. Wardle (Plant) Ltd
Year ended 31st March 2020

Contents

	Page
Directors and other information	1
Strategic report	2
Directors report	3 - 4
Independent auditor's report to the members	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 25

D. Wardle (Plant) Ltd
Year ended 31st March 2020

Directors and other information

Directors	Mr D. Wardle Mr S. Wardle Mr A. Wardle
Secretary	Mr A. Wardle
Company number	01041114
Registered office	Priory Works Barley Castle Lane Appleton Warrington WA4 4RE
Business address	Priory Works Barley Castle Lane Appleton Warrington WA4 4RE
Auditor	Mark Haslam Sons & Co. 17 Wood Street Bolton BL1 1EB
Bankers	Yorkshire Bank 38 Bridge Street Chester CH1 1NE Nat West 117 Main Street Frodsham Cheshire WA6 7AF

D. Wardle (Plant) Ltd

Strategic report Year ended 31st March 2020

Review of the business and future developments

The principal activity of the company is the provision of earthmoving and materials handling solutions to the quarrying, construction and recycling industries.

The company operates from its headquarters in Appleton, Cheshire. Its main services include: Earthmoving contracts, rock hauling, general earthmoving plant and loader hire (operated or self drive) and long term contract hire. A full description of the services provided by the company and details of the company's health and safety, environment and quality policies can be found at www.dwardleplant.co.uk. We have a strong safety culture reflecting not only the markets we serve but also our commitment to the health and safety of our employees, customers and suppliers. In the year we achieved the Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction for the first time. This is awarded to companies that achieve the RoSPA Gold Award Standard for fifteen years in a row. During the year we successfully transitioned from OHSAS18001 to the ISO45001, the new international Health and Safety Management standard. We are also certified to ISO9001 Quality Management and ISO45001 Environmental Management.

Revenues for the year were down slightly as we saw a slowdown in demand for the company's services compared to the prior years. In addition, severe winter flooding from November 2019 to March 2020 restricted our ability to work on some sites. However, utilisation rates remained excellent across the product range. Turnover decreased by 1% (2019 10% decrease) to £16,569,722 (2019 £16,809,018) whilst gross profit margin increased by 3%. Return on capital employed increased from 8% to 10%, liquidity ratios were maintained at 1.3 and this year the company invested a further £9.7 million (2019 £5.6m) in new equipment.

Prior to the year end, we took significant steps to mitigate the impact of the Covid-19 pandemic on our operations. All our site policies and procedures have been reviewed and we have developed safe systems of work across the business to enable our workshop and site-based teams to continue to operate in a Covid-secure manner. In line with Government guidelines we have successfully implemented home working for all employees able to do so. All these measures, together with the support of our customers, have meant that the company has continued to operate successfully and we remain well placed to take advantage of future growth opportunities as the Covid pandemic recedes.

Principal risks and uncertainties

The company primarily trades within the United Kingdom and as a result does not have any direct risks associated with fluctuations in foreign exchange rates. However, the company is exposed to the risk of a downturn in the UK economy and this has been factored into the projections used to evaluate the going concern of the company.

The Covid-19 pandemic has represented a challenge to the company. However, appropriate health and safety provisions have been put in place allowing trade to continue and the impact on next years trading results is expected to be minimal.

This report was approved by the board of directors on 10/02/21 and signed on behalf of the board by:



Mr A. Wardle
Secretary

D. Wardle (Plant) Ltd

Directors report Year ended 31st March 2020

The directors present their report and the financial statements of the company for the year ended 31st March 2020.

Directors

The directors who served the company during the year were as follows:

Mr D. Wardle
Mr S. Wardle
Mr A. Wardle

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Financial instruments

The company has entered into 'basic' financial transactions which result in the recognition of financial assets and liabilities such as trade debtors, trade creditors, cash/bank balances and loans. No 'complex' financial instruments have been utilised.

Disclosure of information in the strategic report.

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has chosen to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations

Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint Mark Haslam Sons & Co. as auditor will be proposed at the forthcoming Annual General Meeting.

D. Wardle (Plant) Ltd

Directors report (continued)
Year ended 31st March 2020

This report was approved by the board of directors on*10/02/2021*..... and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a stylized capital 'A' followed by a horizontal line.

Mr A. Wardle
Secretary

D. Wardle (Plant) Ltd

**Independent auditor's report to the members of
D. Wardle (Plant) Ltd
Year ended 31st March 2020**

Opinion

We have audited the financial statements of D. Wardle (Plant) Ltd (the 'company') for the year ended 31st March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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 FRS 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 31st March 2020 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 auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

D. Wardle (Plant) Ltd

Independent auditor's report to the members of D. Wardle (Plant) Ltd (continued) Year ended 31st March 2020

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 the 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

D. Wardle (Plant) Ltd

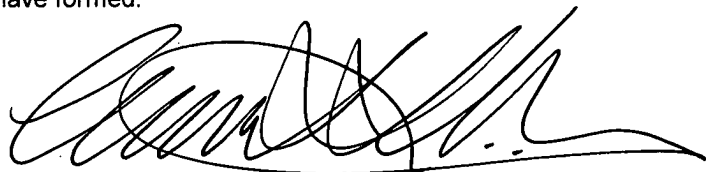
**Independent auditor's report to the members of
D. Wardle (Plant) Ltd (continued)
Year ended 31st March 2020**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Christina Haslam FCA (Senior Statutory Auditor)

For and on behalf of
Mark Haslam Sons & Co.
Chartered Accountant and Statutory Auditor
17 Wood Street
Bolton
BL1 1EB

15/02/2021

D. Wardle (Plant) Ltd

Statement of comprehensive income
Year ended 31st March 2020

	Note	2020 £	2019 £
Turnover	4	16,569,722	16,809,018
Cost of sales		(11,764,038)	(12,450,677)
Gross profit		<u>4,805,684</u>	<u>4,358,341</u>
Administrative expenses		(2,428,752)	(2,376,381)
Other operating income	5	<u>154,400</u>	<u>135,185</u>
Operating profit	6	<u>2,531,332</u>	<u>2,117,145</u>
Other interest receivable and similar income	9	20,788	15,617
Interest payable and similar expenses	10	(265,395)	(276,672)
Profit before taxation		<u>2,286,725</u>	<u>1,856,090</u>
Tax on profit	11	(406,028)	(390,667)
Profit for the financial year		<u>1,880,697</u>	<u>1,465,423</u>
Revaluation of property		-	280,000
Depreciation written back on property revaluation		-	40,945
Deferred tax on revaluation of property		-	(53,200)
Other comprehensive income for the year		<u>-</u>	<u>267,745</u>
Total comprehensive income for the year		<u><u>1,880,697</u></u>	<u><u>1,733,168</u></u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

D. Wardle (Plant) Ltd

**Statement of financial position
31st March 2020**

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	23,178,558		21,526,385	
Investments	14	500,000		-	
			23,678,558		21,526,385
Current assets					
Stocks	15	11,605		15,605	
Debtors	16	4,153,238		3,795,329	
Cash at bank and in hand		3,558,477		4,740,110	
		7,723,320		8,551,044	
Creditors: amounts falling due within one year	17	(5,782,726)		(6,357,774)	
Net current assets			1,940,594		2,193,270
Total assets less current liabilities			25,619,152		23,719,655
Creditors: amounts falling due after more than one year	18		(6,370,001)		(6,550,190)
Provisions for liabilities	20		(1,282,511)		(1,075,522)
Net assets			17,966,640		16,093,943
Capital and reserves					
Called up share capital	25		45,000		45,000
Share premium account	26		47,371		47,371
Revaluation reserve	26		747,406		754,580
Capital redemption reserve	26		45,000		45,000
Profit and loss account	26		17,081,863		15,201,992
Shareholders funds			17,966,640		16,093,943

These financial statements were approved by the board of directors and authorised for issue on 10/02/2021, and are signed on behalf of the board by:



Mr S. Wardle
Director



Mr A. Wardle
Director

Company registration number: 01041114

The notes on pages 12 to 25 form part of these financial statements.

D. Wardle (Plant) Ltd

**Statement of changes in equity
Year ended 31st March 2020**

	Called up share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£	£
At 1st April 2018	45,000	47,371	494,009	45,000	13,737,395	14,368,775
Profit for the year	-	-	-	-	1,465,423	1,465,423
Other comprehensive income for the year:						
Revaluation of property	-	-	280,000	-	-	280,000
Reclassification from revaluation reserve to profit and loss account	-	-	(7,174)	-	7,174	-
Depreciation written back on property revaluation	-	-	40,945	-	-	40,945
Deferred tax on revaluation of property	-	-	(53,200)	-	-	(53,200)
Total comprehensive income for the year	-	-	260,571	-	1,472,597	1,733,168
Dividends paid and payable	-	-	-	-	(8,000)	(8,000)
Total investments by and distributions to owners	-	-	-	-	(8,000)	(8,000)
At 31st March 2019 and 1st April 2019	45,000	47,371	754,580	45,000	15,201,992	16,093,943
Profit for the year	-	-	-	-	1,880,697	1,880,697
Other comprehensive income for the year:						
Reclassification from revaluation reserve to profit and loss account	-	-	(7,174)	-	7,174	-
Total comprehensive income for the year	-	-	(7,174)	-	1,887,871	1,880,697
Dividends paid and payable	-	-	-	-	(8,000)	(8,000)
Total investments by and distributions to owners	-	-	-	-	(8,000)	(8,000)
At 31st March 2020	45,000	47,371	747,406	45,000	17,081,863	17,966,640

D. Wardle (Plant) Ltd

**Statement of cash flows
Year ended 31st March 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Profit for the financial year	1,880,697	1,465,423
<i>Adjustments for:</i>		
Depreciation of tangible assets	4,624,507	4,271,502
Fair value adjustment of investment property	-	(325,000)
Other interest receivable and similar income	(20,788)	(15,617)
Interest payable and similar expenses	265,395	276,672
Gain on disposal of tangible assets	(1,377,466)	(1,013,881)
Tax on profit	406,028	390,667
Increase/(decrease) in accrued expenses/deferred income	(333,998)	(91,840)
<i>Changes in:</i>		
Stocks	4,000	13,642
Trade and other debtors	(357,909)	1,312,085
Trade and other creditors	(274,021)	22,126
Cash generated from operations	4,816,445	6,305,779
Interest paid	(265,395)	(276,672)
Interest received	20,788	15,617
Tax paid	(48,319)	(363,852)
Net cash from operating activities	<u>4,523,519</u>	<u>5,680,872</u>
Cash flows from investing activities		
Purchase of tangible assets	(5,108,778)	(1,967,768)
Proceeds from sale of tangible assets	4,930,675	3,454,243
Cash advances and loans granted	(500,000)	-
Net cash (used in)/from investing activities	<u>(678,103)</u>	<u>1,486,475</u>
Cash flows from financing activities		
Payment of finance lease liabilities	(5,170,023)	(4,350,566)
Equity dividends paid	(8,000)	(8,000)
Other long term loans	150,974	356,166
Net cash used in financing activities	<u>(5,027,049)</u>	<u>(4,002,400)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,181,633)</u>	<u>3,164,947</u>
Cash and cash equivalents at beginning of year	<u>4,740,110</u>	<u>1,575,163</u>
Cash and cash equivalents at end of year	<u><u>3,558,477</u></u>	<u><u>4,740,110</u></u>

D. Wardle (Plant) Ltd

Notes to the financial statements Year ended 31st March 2020

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Priory Works, Barley Castle Lane, Appleton, Warrington, WA4 4RE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgments, estimates and assumptions that management has made in the process of applying the entity's accounting policies and which have the most significant effect on the amounts recognised in the financial statements relate to property valuations and depreciation of plant & machinery.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured as the amount of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

D. Wardle (Plant) Ltd

Notes to the financial statements (continued) Year ended 31st March 2020

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold buildings	- 4%	straight line
Plant and machinery	- 20%	reducing balance
Fittings fixtures and equipment	- 20%	reducing balance
Motor vehicles	- 20-25%	reducing balance
Land	-	Not depreciated

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Investment property

Investment property, being property held to earn rentals or for capital appreciation or both, is measured initially at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued externally every five years and internally annually to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

D. Wardle (Plant) Ltd

Notes to the financial statements (continued) Year ended 31st March 2020

Stocks

Stocks of consumables are measured at the lower of cost and estimated resale price.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which they become receivable.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Sale of goods	304,500	-
Rendering of services	16,265,222	16,809,018
	<u>16,569,722</u>	<u>16,809,018</u>

All services rendered are attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2020	2019
	£	£
Rental income	154,150	120,445
Government grant income	250	14,740
	<u>154,400</u>	<u>135,185</u>

6. Operating profit

Operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible assets	4,624,507	4,271,502
Gains on disposal of tangible assets	(1,377,466)	(1,013,881)
Fair value adjustments to investment property	-	(325,000)
Operating lease rentals	9,329	10,340
Fees payable for the audit of the financial statements	<u>6,280</u>	<u>5,980</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
Sales & Management (Including directors)	12	12
Administration	7	8
Operators/Workshop	67	73
	<u>86</u>	<u>93</u>

The aggregate payroll costs incurred during the year were:

	2020	2019
	£	£
Wages and salaries	4,088,792	4,645,832
Social security costs	436,910	492,669
Other pension costs	73,192	55,674
	<u>4,598,894</u>	<u>5,194,175</u>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	<u>902,201</u>	<u>1,165,651</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2020	2019
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2020	2019
	£	£
Aggregate remuneration	305,238	396,314
Company contributions to pension plans in respect of qualifying services	-	-
	<u>305,238</u>	<u>396,314</u>

9. Other interest receivable and similar income

	2020	2019
	£	£
Loans	1,547	-
Bank deposits	18,814	15,120
Other interest receivable and similar income	427	497
	<u>20,788</u>	<u>15,617</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

10. Interest payable and similar expenses

	2020	2019
	£	£
Other loans made to the company:		
Finance leases and hire purchase contracts	195,995	216,067
Other interest payable and similar expenses	69,400	60,605
	<u>265,395</u>	<u>276,672</u>

11. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	199,039	189,124
Deferred tax:		
Origination and reversal of timing differences	206,989	201,543
Tax on profit	<u>406,028</u>	<u>390,667</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £ - (2019: £ 53,200).

Reconciliation of tax expense

The tax assessed on the profit for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

	2020	2019
	£	£
Profit before taxation	2,286,725	1,856,090
Profit multiplied by rate of tax	434,478	352,657
Effect of expenses not deductible for tax purposes	2,646	4,151
Effect of capital allowances and depreciation	(238,085)	(105,934)
Deferred tax	206,989	201,543
Investment property fair value adjustment	-	(61,750)
Tax on profit	<u>406,028</u>	<u>390,667</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

12. Dividends

Equity dividends

	2020	2019
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>8,000</u>	<u>8,000</u>

13. Tangible assets

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1st April 2019	2,310,000	35,792,989	58,815	248,218	38,410,022
Additions	-	9,724,095	12,267	93,527	9,829,889
Disposals	-	(9,664,406)	(26,720)	(28,527)	(9,719,653)
At 31st March 2020	<u>2,310,000</u>	<u>35,852,678</u>	<u>44,362</u>	<u>313,218</u>	<u>38,520,258</u>
Depreciation					
At 1st April 2019	11,333	16,734,931	53,405	83,968	16,883,637
Charge for the year	11,333	4,566,571	1,992	44,611	4,624,507
Disposals	-	(6,123,861)	(26,366)	(16,217)	(6,166,444)
At 31st March 2020	<u>22,666</u>	<u>15,177,641</u>	<u>29,031</u>	<u>112,362</u>	<u>15,341,700</u>
Carrying amount					
At 31st March 2020	<u>2,287,334</u>	<u>20,675,037</u>	<u>15,331</u>	<u>200,856</u>	<u>23,178,558</u>
At 31st March 2019	<u>2,298,667</u>	<u>19,058,058</u>	<u>5,410</u>	<u>164,250</u>	<u>21,526,385</u>

Investment property

Included within the above is investment property measured at fair value as follows:

	£
At 1 April 2019 and 31 March 2020	<u>1,460,000</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property	Investment property	Total
	£	£	£
At 31st March 2020			
Aggregate cost	132,920	151,297	284,217
Aggregate depreciation	(106,192)	-	(106,192)
Carrying amount	<u>26,728</u>	<u>151,297</u>	<u>178,025</u>
At 31st March 2019			
Aggregate cost	132,920	151,297	284,217
Aggregate depreciation	(102,033)	-	(102,033)
Carrying amount	<u>30,887</u>	<u>151,297</u>	<u>182,184</u>

TFC Commercial Property Advisers, acting as external independent valuers valued the company's freehold land and buildings (including investment property) as at 21/03/2019 at Market Value.

TFC are RICS registered valuers. The valuations were carried out in accordance with the Practice Statements and Guidance Notes set out in the Royal Institution of Chartered Surveyors Valuation - Professional Standards (the 'Red Book') January 2014 (revised April 2015) providing an appraisal of property for an opinion of Market Value. In their report, TFC state that they consider that the aggregate current Market Value of the freehold interests in the land and buildings owned by the company total £2,310,000. Of this, £1,460,000 relates to investment properties held.

The company directors are of the opinion that the valuations carried out on 21/03/2019 by TFC give a fair reflection of the valuation of the company's properties as at 31/03/2020.

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery
	£
At 31st March 2020	<u>13,706,967</u>
At 31st March 2019	<u>11,925,853</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

14. Investments

	Loans £
Cost	
At 1st April 2019	-
Additions	500,000
At 31st March 2020	<u>500,000</u>
Impairment	
At 1st April 2019 and 31st March 2020	-
Carrying amount	
At 31st March 2020	<u>500,000</u>
At 31st March 2019	<u>-</u>

On 24/02/2020, the company made a loan of £500,000 to a private limited company which is jointly owned by the directors of D Wardle (Plant) Ltd. This loan is unsecured and repayable within 13 months of demand. Interest is charged at the rate of 3% above the bank base rate. During the year, interest totalling £1547 has accrued.

15. Stocks

	2020 £	2019 £
Stock - consumables	<u>11,605</u>	<u>15,605</u>

16. Debtors

	2020 £	2019 £
Trade debtors	3,977,332	3,545,970
Prepayments and accrued income	173,104	167,327
Other debtors	2,802	82,032
	<u>4,153,238</u>	<u>3,795,329</u>

17. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	721,725	917,566
Accruals and deferred income	503,508	837,506
Corporation tax	63,194	(87,526)
Social security and other taxes	343,824	421,752
Obligations under finance leases	4,104,051	4,221,800
Other creditors	46,424	46,676
	<u>5,782,726</u>	<u>6,357,774</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

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

	2020	2019
	£	£
Obligations under finance leases	4,351,158	4,682,321
Director loan accounts	2,018,843	1,867,869
	<u>6,370,001</u>	<u>6,550,190</u>

19. Obligations under finance leases

Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	2020	2019
	£	£
Not later than 1 year	4,104,051	4,221,800
Later than 1 year and not later than 5 years	4,351,158	4,682,321
	<u>8,455,209</u>	<u>8,904,121</u>
Present value of minimum lease payments	<u>8,455,209</u>	<u>8,904,121</u>

Obligations under hire purchase/finance lease agreements are secured by related leased assets.

20. Provisions

	Deferred tax (note 21)	Total
	£	£
At 1st April 2019	1,075,522	1,075,522
Additions	206,989	206,989
At 31st March 2020	<u>1,282,511</u>	<u>1,282,511</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions (note 20)	<u>1,282,511</u>	<u>1,075,522</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	982,187	775,198
Revaluation of tangible assets	102,711	102,711
Fair value adjustment of investment property	197,613	197,613
	<u>1,282,511</u>	<u>1,075,522</u>

22. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £73,192 (2019: £55,674).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>250</u>	<u>14,740</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost		
Fixed asset investment - Loan	500,000	-
Trade debtors	3,977,332	3,545,970
Other debtors	2,802	82,032
Cash at bank and in hand	3,558,477	4,740,110
	<u>8,038,611</u>	<u>8,368,112</u>
Financial liabilities measured at amortised cost		
Trade creditors	721,725	917,566
Hire purchase agreements	8,455,209	8,904,121
Director loan accounts	2,018,843	1,867,869
Other creditors	46,424	46,676
	<u>11,242,201</u>	<u>11,736,232</u>

25. Called up share capital
Issued, called up and fully paid

	2020		2019	
	No	£	No	£
Ordinary shares of £ 1.00 each	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>

26. Reserves

Share premium account:

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve:

This reserve records the value of asset revaluations (excluding investment properties) and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve:

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account:

This reserve records retained earnings, accumulated losses and investment property revaluation gains or losses.

D. Wardle (Plant) Ltd

Notes to the financial statements (continued)
Year ended 31st March 2020

27. Analysis of changes in net debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash and cash equivalents	4,740,110	(1,181,633)	3,558,477
Debt due within one year	(4,221,800)	117,749	(4,104,051)
Debt due after one year	(6,550,190)	180,189	(6,370,001)
	<u>(6,031,880)</u>	<u>(883,695)</u>	<u>(6,915,575)</u>

28. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	15,935	6,934
Later than 1 year and not later than 5 years	8,484	8,667
	<u>24,419</u>	<u>15,601</u>

29. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2020		
	Balance brought forward £	Advances /(credits) to the directors £	Balance o/standing £
Messrs D, S & A Wardle	<u>(1,867,869)</u>	<u>(150,974)</u>	<u>(2,018,843)</u>
	2019		
	Balance brought forward £	Advances /(credits) to the directors £	Balance o/standing £
Messrs D, S & A Wardle	<u>(1,511,703)</u>	<u>(356,166)</u>	<u>(1,867,869)</u>

D. Wardle (Plant) Ltd

Notes to the financial statements (continued) **Year ended 31st March 2020**

The directors' loan includes a loan from Mr D. Wardle amounting to £1,767,623 (2019 £1,603,594). £1m of this loan is secured by way of a charge over property owned by the company. The balance of the loan is unsecured.

Loans from directors are repayable within 13 months of demand by a director. Interest is payable at 0.75% above bank base rate subject to a minimum of 3.75%.

During the year the company made interest payments amounting to £69,400 (2019 £60,605) to the company directors in respect these loans.

30. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2020	2019	2020	2019
	£	£	£	£
Connected company - sales	417,399	-	198,479	-
Connected company - purchases	(7,350)	-	(8,820)	-

During the year the company undertook transactions with a private limited company which is owned jointly by the company director/shareholders. The sales are reflected in turnover and profit on sale of fixed assets. The purchases are reflected in cost of sales. The outstanding debtor and creditor is included in trade debtors and trade creditors respectively.

31. Controlling party

Any two directors hold a majority of the company's share capital and jointly have ultimate control of the company.