

# Avon Group Manufacturing Limited

Annual Report and Financial Statements  
for the Year Ended 31 March 2020

# Avon Group Manufacturing Limited

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# Avon Group Manufacturing Limited

## Company Information

**Directors** M A Rushin  
A R Patel  
M Lewis

**Company secretary** A R Patel

**Registered office** The Avon Building  
Units 137-145  
South Liberty Lane  
Bedminster  
Bristol  
BS3 2TL

**Solicitors** Star Legal  
11 Great George Street  
Clifton  
Bristol  
BS1 5RR

**Bankers** Barclays Bank Plc  
Corporate Banking  
4th Floor  
Bridgwater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

**Auditors** Burton Sweet  
Cooper House  
Lower Charlton Estate  
Shepton Mallet  
Somerset  
BA4 5QE

# **Avon Group Manufacturing Limited**

## **Strategic Report Year Ended 31 March 2020**

The directors present their strategic report for the year ended 31 March 2020.

### **Principal activity**

The principal activity of the company is that of manufacture of water cut, knife cut and hydraulic cut seals, gaskets, washers and high temperature insulation

### **Fair review of the business**

The Directors are pleased to report the continuation of the trend of another good performance and the Net Assets on the Balance Sheet have increased from previous year.

The benefits of moving to the modern 32,000 square foot industrial complex in 2017 continue being seen with a financial improvement in the gross profit margin. The Directors remain committed to making further investment whenever it is considered appropriate.

### **Results and key performance indicators**

The directors and senior managers maintain a policy of regular review and tight control of the business using key performance indicators which include all key financial and non-financial measures.

With a very strong underpinning of cash control, benchmarking and analysis of all key budgetary data including monitoring of potential environmental impacts the company ensures a clear and fundamental understanding of its business at all stages of the year.

# **Avon Group Manufacturing Limited**

## **Strategic Report**

**Year Ended 31 March 2020**

### **Principal risks and uncertainties**

The Company operates in a challenging, global environment which has a range of risks and uncertainties. Some of these are highlighted below:

Foreign currency fluctuations have continued around the Brexit uncertainty and have proved challenging to minimise their impact on operations and results.

Market share demands the need to provide a competitive edge with both new and existing customers. This makes gaining & maintaining healthy margins a constant challenge.

Supply chain disruption because of Brexit combined with real and manufactured shortages can reduce ability to supply on time in full and also affect the ability to win new business and achieve operational results.

Product performance that does not meet expectations can cause reliability and safety issues. One therefore has to ensure all standards are maintained across the whole process of design, manufacture and delivery. To do otherwise could potentially have severe, long term consequences.

Raw material price increases because of the rules of supply and demand linked to real and artificial shortages can adversely affect margins if the affects cannot be passed on through price increases to the customers.

Significant investment programmes are required to keep machines and processes both modern and competitive. To not do so would impact the efficiency and effectiveness of business operations and ultimately market share.

# **Avon Group Manufacturing Limited**

## **Strategic Report**

**Year Ended 31 March 2020**

### **Risk Management**

Risk management is reviewed regularly by both directors and senior management.

Specific mitigation against principle risks include:

The ability to minimize fluctuations with support from the Groups banking facility

The Company, in line with the Group ethos, constantly strives to improve by investing in training and quality improvements. Liaising with key customers & suppliers on quality and performance improvement, the Company ensures the next generation products, materials and capital equipment all possess world leading qualities.

The company has several 'partnership' trading agreements with both customers and suppliers that allow for material price fluctuations and exchange rate movements to be passed on seamlessly.

In its 40 years trading history, the Company has proved itself in maintaining long term relationships with critical suppliers. Operating within a constantly changing business environment however, alternative sources of material supply and services need to be regularly reviewed ensuring the company has plans in place to meet any possible breakdowns in supply from key suppliers.

With its strong environmental awareness coupled with the open market higher price of plastic, the company has striven to minimise wastage and looked for ways to move away from plastic packaging. With its ethos of maximising recycling these drives have helped in protecting margins.

## **Avon Group Manufacturing Limited**

### **Strategic Report**

**Year Ended 31 March 2020**

#### **Coronavirus C19 Statement**

The outbreak and continued spread of the coronavirus pandemic has brought about a rapidly changing developments to our business.

Unfortunately, the continuing course of the coronavirus pandemic is likely to bring about further volatility and uncertainty within the sectors we service.

We are safely managing all aspects of our operations to ensure continuity and support to our customers. We have not suffered any impact to our supply chain and at this stage we expect no change in that situation.

We recognize that our primary concern is for the health and safety of our work colleagues and our stakeholders including customer and supply partners.

We have implemented additional cleaning and installed hygiene and sanitization procedures throughout our facility; issued appropriate PPE; while also adopting the government guidelines of social distancing and work at home protocols.

Although this pandemic was completely unexpected and its course is as yet unknown, we entered this period of great uncertainty in a strong financial position.

While it is pleasing to note that our order book is now almost at pre-covid levels, we remain flexible and ready to act quickly as appropriate to mitigate against trading conditions becoming any tougher.

We remain confident in our funding position, with no material debt and our assets unencumbered.

Approved by the Board on 6 November 2020 and signed on its behalf by:

M A Rushin  
Director

# **Avon Group Manufacturing Limited**

## **Directors' Report Year Ended 31 March 2020**

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

### **Directors of the company**

The directors who held office during the year were as follows:

M A Rushin

A R Patel - Company secretary and director

M Lewis

### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

### **Reappointment of auditors**

The auditors Burton Sweet are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 6 November 2020 and signed on its behalf by:

M A Rushin  
Director



## **Avon Group Manufacturing Limited**

### **Statement of Directors' Responsibilities**

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

## **Avon Group Manufacturing Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing Limited**

#### **Opinion**

We have audited the financial statements of Avon Group Manufacturing Limited (the 'company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

## **Avon Group Manufacturing Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing Limited**

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.

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our 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 and 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 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 7], 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.

## **Avon Group Manufacturing Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing Limited**

#### **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 judgement 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

## **Avon Group Manufacturing Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing Limited**

#### **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 auditor's 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.

.....  
Neil Kingston FCA (Senior Statutory Auditor)  
For and on behalf of Burton Sweet, Statutory Auditor  
Cooper House  
Lower Charlton Estate  
Shepton Mallet  
Somerset  
BA4 5QE

6 November 2020

## Avon Group Manufacturing Limited

### Profit and Loss Account Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	<u>4</u>	4,346,913	4,267,239
Cost of sales		<u>(2,986,089)</u>	<u>(3,340,301)</u>
Gross profit		1,360,824	926,938
Distribution costs		(337,509)	(317,269)
Administrative expenses		(987,307)	(795,346)
Other operating income	<u>6</u>	<u>419,873</u>	<u>634,131</u>
Operating profit		<u>455,881</u>	<u>448,454</u>
Profit before tax		455,881	448,454
Taxation	<u>12</u>	<u>(80,883)</u>	<u>(88,950)</u>
Profit for the financial year		<u><u>374,998</u></u>	<u><u>359,504</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 16 to 28 form an integral part of these financial statements.

## Avon Group Manufacturing Limited

### Statement of Comprehensive Income Year Ended 31 March 2020

	2020 £	2019 £
Profit for the year	374,998	359,504
Total comprehensive income for the year	374,998	359,504

The notes on pages 16 to 28 form an integral part of these financial statements.

# Avon Group Manufacturing Limited

(Registration number: 01562118)

## Balance Sheet

31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>13</u>	613,324	722,377
<b>Current assets</b>			
Stocks	<u>14</u>	457,287	432,840
Debtors	<u>15</u>	2,545,936	2,513,380
Cash at bank and in hand		48,153	19,609
		<u>3,051,376</u>	<u>2,965,829</u>
<b>Creditors:</b> Amounts falling due within one year	<u>19</u>	<u>(1,490,190)</u>	<u>(1,879,685)</u>
<b>Net current assets</b>		<u>1,561,186</u>	<u>1,086,144</u>
<b>Total assets less current liabilities</b>		2,174,510	1,808,521
<b>Provisions for liabilities</b>	<u>17</u>	<u>8,355</u>	<u>(654)</u>
<b>Net assets</b>		<u>2,182,865</u>	<u>1,807,867</u>
<b>Capital and reserves</b>			
Called up share capital	<u>20</u>	10,000	10,000
Profit and loss account		<u>2,172,865</u>	<u>1,797,867</u>
Total equity		<u>2,182,865</u>	<u>1,807,867</u>

Approved and authorised by the Board on 6 November 2020 and signed on its behalf by:

M A Rushin

Director

The notes on pages 16 to 28 form an integral part of these financial statements.



## Avon Group Manufacturing Limited

### Statement of Changes in Equity Year Ended 31 March 2020

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
		<b>£</b>	
At 1 April 2019	10,000	1,797,867	1,807,867
Profit for the year	-	374,998	374,998
Total comprehensive income	-	374,998	374,998
At 31 March 2020	10,000	2,172,865	2,182,865

  

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
		<b>£</b>	
At 1 April 2018	10,000	1,438,363	1,448,363
Profit for the year	-	359,504	359,504
Total comprehensive income	-	359,504	359,504
At 31 March 2019	10,000	1,797,867	1,807,867

The notes on pages 16 to 28 form an integral part of these financial statements.

# **Avon Group Manufacturing Limited**

## **Notes to the Financial Statements Year Ended 31 March 2020**

### **1 General information**

The company is incorporated and domiciled in England.

The address of its registered office is:

The Avon Building  
Units 137-145  
South Liberty Lane  
Bedminster  
Bristol  
BS3 2TL

### **2 Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

### **3 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The Directors consider there to be no material uncertainties affecting going concern due to the confidence in the Group's funding position, no net debt and unencumbered assets. This has been considered in the context of the Covid-19 pandemic, please see the strategic report for more details.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

# Avon Group Manufacturing Limited

## Notes to the Financial Statements Year Ended 31 March 2020

### Foreign currency transactions and balances

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	5%-25% per annum straight line
Other property, plant and equipment	10%-25% per annum straight line and 15% per annum reducing balance
Motor vehicles	20%-25% per annum straight line and 25% per annum reducing balance
Furniture, fittings and equipment	10%-33% per annum straight line and 15% per annum reducing balance

## **Avon Group Manufacturing Limited**

### **Notes to the Financial Statements Year Ended 31 March 2020**

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade creditors**

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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **Avon Group Manufacturing Limited**

### **Notes to the Financial Statements Year Ended 31 March 2020**

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Avon Group Manufacturing Limited

### Notes to the Financial Statements Year Ended 31 March 2020

#### 4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Sale of goods	<u>4,346,913</u>	<u>4,267,239</u>

The analysis of the company's revenue for the year by market is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
UK	4,038,262	4,056,464
Rest of world	<u>308,651</u>	<u>210,775</u>
	<u>4,346,913</u>	<u>4,267,239</u>

#### 5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gain (loss) on disposal of property, plant and equipment	<u>6,523</u>	<u>11,363</u>

## Avon Group Manufacturing Limited

### Notes to the Financial Statements Year Ended 31 March 2020

#### 6 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £	2019 £
Management charges receivable	419,873	634,131

#### 7 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	132,725	144,243
Profit on disposal of property, plant and equipment	(6,523)	(11,363)

#### 8 Interest payable and similar expenses

2020  
£

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	1,141,517	1,163,738
Social security costs	88,410	88,223
Pension costs, defined contribution scheme	27,814	27,814
	1,257,741	1,279,775

## Avon Group Manufacturing Limited

### Notes to the Financial Statements Year Ended 31 March 2020

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Production	38	38
Administration and support	8	14
	<u>46</u>	<u>52</u>

#### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	<u>269,738</u>	<u>150,580</u>

#### 11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>8,500</u>	<u>7,500</u>

#### 12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	93,811	91,233
UK corporation tax adjustment to prior periods	<u>(3,919)</u>	<u>-</u>
	89,892	91,233
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(9,009)</u>	<u>(2,283)</u>
Tax expense in the income statement	<u>80,883</u>	<u>88,950</u>



# Avon Group Manufacturing Limited

## Notes to the Financial Statements Year Ended 31 March 2020

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	455,881	448,454
Corporation tax at standard rate	86,617	85,206
Deferred tax expense relating to changes in tax rates or laws	4,743	3,109
Tax (decrease)/increase from other short-term timing differences	(10,477)	635
Total tax charge	80,883	88,950

### Deferred tax

Deferred tax assets and liabilities

2020	Asset £
Accelerated tax depreciation	8,355
	8,355
2019	Liability £
Accelerated tax depreciation	654
	654

# Avon Group Manufacturing Limited

## Notes to the Financial Statements Year Ended 31 March 2020

### 13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £
<b>Cost or valuation</b>				
At 1 April 2019	462,616	80,605	156,947	1,085,080
Additions	-	1,995	31,486	-
Disposals	-	-	(72,331)	(1,000)
At 31 March 2020	462,616	82,600	116,102	1,084,080
<b>Depreciation</b>				
At 1 April 2019	136,471	43,451	98,000	784,950
Charge for the year	48,791	16,332	36,879	30,723
Eliminated on disposal	-	-	(63,423)	(100)
At 31 March 2020	185,262	59,783	71,456	815,573
<b>Carrying amount</b>				
At 31 March 2020	277,354	22,817	44,646	268,507
At 31 March 2019	326,144	37,154	58,948	300,131

## Avon Group Manufacturing Limited

### Notes to the Financial Statements Year Ended 31 March 2020

	Total £
<b>Cost or valuation</b>	
At 1 April 2019	1,785,248
Additions	33,481
Disposals	<u>(73,331)</u>
At 31 March 2020	<u>1,745,398</u>
<b>Depreciation</b>	
At 1 April 2019	1,062,872
Charge for the year	132,725
Eliminated on disposal	<u>(63,523)</u>
At 31 March 2020	<u>1,132,074</u>
<b>Carrying amount</b>	
At 31 March 2020	<u><u>613,324</u></u>
At 31 March 2019	<u><u>722,377</u></u>

Included within the net book value of land and buildings above is £277,354 (2019 - £326,144) in respect of long leasehold land and buildings.

#### 14 Stocks

	2020 £	2019 £
Stock	<u>457,287</u>	<u>432,840</u>

#### 15 Debtors

	Note	2020 £	2019 £
Trade debtors		641,839	801,888
Amounts owed by related parties	<u>22</u>	1,858,877	1,676,935
Prepayments		<u>45,220</u>	<u>34,557</u>
		<u><u>2,545,936</u></u>	<u><u>2,513,380</u></u>

# Avon Group Manufacturing Limited

## Notes to the Financial Statements Year Ended 31 March 2020

### 16 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	450	217
Cash at bank	47,703	19,392
	<u>48,153</u>	<u>19,609</u>

### 17 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2019	654	654
Increase (decrease) in existing provisions	(9,009)	(9,009)
At 31 March 2020	<u>(8,355)</u>	<u>(8,355)</u>

### 18 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £27,814 (2019 - £27,814)

### 19 Creditors

	Note	2020 £	2019 £
<b>Due within one year</b>			
Trade creditors		544,670	779,482
Amounts due to related parties	<u>22</u>	-	81
Social security and other taxes		182,349	234,755
Other payables		552,025	597,542
Accruals		117,335	217,552
Corporation tax liability	<u>12</u>	93,811	50,273
		<u>1,490,190</u>	<u>1,879,685</u>

## Avon Group Manufacturing Limited

### Notes to the Financial Statements Year Ended 31 March 2020

Included in other payables is £429,083 (2019 - £589,559) relating to a confidential invoice discount agreement with Barclays Bank Plc, this balance is secured on the trade debts of the company.

#### 20 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

## Avon Group Manufacturing Limited

### Notes to the Financial Statements Year Ended 31 March 2020

#### 21 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	141,128	141,128
Later than one year and not later than five years	564,512	564,512
Later than five years	186,441	327,569
	<u>892,081</u>	<u>1,033,209</u>

#### 22 Related party transactions

Where the company has trading transactions and debtor and creditor balances with other 100% wholly owned subsidiaries within the group the company has taken advantage of the exemption from disclosure as consolidated accounts are available. Although no detail is given the total balances can be seen in the debtor and creditor notes to the accounts. All group balances are considered fully recoverable and are reviewed on a group level and each company is fully supported within the group.

##### 22.1 Parent and ultimate parent undertaking

The company's immediate parent is Avon Group Manufacturing (Holdings) Limited, incorporated in England.

The ultimate controlling party is Mr M Rushin.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.