

Company Registration No. 02796677 (England and Wales)

NORTHERN EXPRESS GLASS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NORTHERN EXPRESS GLASS LIMITED

COMPANY INFORMATION

Directors	Mr A Boardman Mr P A Williams Mr R P Green
Secretary	Miss R Southern
Company number	02796677
Registered office	Unit 1 Enterprise Way Burn Hall Industrial Estate Fleetwood FY7 8RY
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP

NORTHERN EXPRESS GLASS LIMITED

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NORTHERN EXPRESS GLASS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

Fair review of the business

The company faced a drop in sales by 6% compared with the comparative year. This was due to the Covid-19 pandemic where they were required to halt production and close for brief period. However, the company traded well for the remaining period after re-opening and obtained a higher average of monthly sales than the past few years.

The company has continued to invest in machinery and this together with previous investment has improved efficiencies with good results despite the challenges of Brexit and Covid-19.

Principal risks and uncertainties

The principal risks and uncertainties the company faces, along with how the directors seek to mitigate these risks are explained below:

Raw material supply

Raw material supply to ensure we can produce our product on time and ensuring the best possible materials are secured through partnerships with key suppliers.

Laws & regulations

The company keeps abreast of all changing industry standards and regulations through formal and informal training program.

Construction and building market

Sales performance can be dependent on the wider performance of the UK construction and building market and the Directors are keeping a careful eye on any impact of Covid-19 and Brexit. However, the company, through years of successful trading has the financial resources and capacity to manage its way through another recession. All trade debtor balances are insured.

Covid-19

The uncertain nature of the Covid-19 is an ongoing risk, however the company made steps to mitigate that risk by regular testing, improved hygiene measures and mask wearing. The company also took advantage of government incentives that were available to them in order to help with cash flow.

Development and performance

The company has continued to invest in the latest technology and the Directors consider it well positioned for the future.

Key performance indicators

The company's key performance indicators are as follows:

Gross profit - 2021: 19.79% (2020: 19.43%)

Profit before dividends - 2021: £945,080 (2020: £499,832)

Both KPI's were ahead of company expectations.

NORTHERN EXPRESS GLASS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board

Mr A Boardman
Director

17 December 2021

NORTHERN EXPRESS GLASS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company continued to be that of the manufacture and distribution of glazing products.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £25,497. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Boardman
Mr P A Williams
Mr R P Green

Auditor

MHA Moore and Smalley were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A Boardman
Director

17 December 2021

NORTHERN EXPRESS GLASS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the annual 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 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.

NORTHERN EXPRESS GLASS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHERN EXPRESS GLASS LIMITED

Qualified opinion on financial statements

We have audited the financial statements of Northern Express Glass Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

Due to restrictions as part of the Covid-19 lockdown during March 2020, we were not able to observe the counting of physical inventories at 31 March 2020. We have been unable to obtain sufficient appropriate audit evidence to verify the existence of stock balances held at 31 March 2020 by alternative means of audit testing. Consequently we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary or whether there was any consequential effect on the cost of sales for the year ended 31 March 2021. In addition, were any adjustment to the stock balance of the comparative year to be required, the strategic report would also need to be amended.

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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

NORTHERN EXPRESS GLASS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN EXPRESS GLASS LIMITED

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 contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning stock quantities at 31 March 2020. We have concluded that where the other information refers to the stock balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of 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.

Arising solely from the limitation on the scope of our work relating to stocks, referred to above;

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 remuneration specified by law are not made.

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.

NORTHERN EXPRESS GLASS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN EXPRESS GLASS 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.

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

- Enquiry of management around actual and potential litigation and claims.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations, including EN1279 and EN12150.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements:

Health & Safety; and employment law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed to audit the financial statements for the first time for the period ending 31 March 2021. The prior period financial statements were not audited. This is because the company claimed small companies exemption previously and became a medium-sized company for this financial year.

NORTHERN EXPRESS GLASS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN EXPRESS GLASS 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.

Virginia Cooper (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

20 December 2021

NORTHERN EXPRESS GLASS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	9,684,955	10,355,730
Cost of sales		(7,768,750)	(8,344,017)
Gross profit		1,916,205	2,011,713
Administrative expenses		(1,285,951)	(1,344,436)
Other operating income		569,577	21,742
Operating profit	4	1,199,831	689,019
Interest receivable and similar income	7	28,240	9,151
Interest payable and similar expenses	8	(58,890)	(40,003)
Profit before taxation		1,169,181	658,167
Tax on profit	9	(224,101)	(158,335)
Profit for the financial year		945,080	499,832

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NORTHERN EXPRESS GLASS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	11	2,141		-	
Tangible assets	12	1,945,584		1,883,901	
		<u>1,947,725</u>		<u>1,883,901</u>	
Current assets					
Stocks	13	499,442		404,251	
Debtors	14	3,491,255		2,344,678	
Cash at bank and in hand		929,763		485,961	
		<u>4,920,460</u>		<u>3,234,890</u>	
Creditors: amounts falling due within one year	15	(2,262,749)		(2,182,352)	
Net current assets		<u>2,657,711</u>		<u>1,052,538</u>	
Total assets less current liabilities		<u>4,605,436</u>		<u>2,936,439</u>	
Creditors: amounts falling due after more than one year	16	(1,014,649)		(292,296)	
Provisions for liabilities					
Deferred tax liability	19	294,425		267,364	
		<u>(294,425)</u>		<u>(267,364)</u>	
Net assets		<u>3,296,362</u>		<u>2,376,779</u>	
Capital and reserves					
Called up share capital	21	100		100	
Profit and loss reserves		3,296,262		2,376,679	
Total equity		<u>3,296,362</u>		<u>2,376,779</u>	

The financial statements were approved by the board of directors and authorised for issue on 17 December 2021 and are signed on its behalf by:

Mr A Boardman
Director

Mr P A Williams
Director

Company Registration No. 02796677

NORTHERN EXPRESS GLASS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2019		100	1,998,473	1,998,573
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	499,832	499,832
Dividends	10	-	(121,626)	(121,626)
Balance at 31 March 2020		100	2,376,679	2,376,779
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	945,080	945,080
Dividends	10	-	(25,497)	(25,497)
Balance at 31 March 2021		100	3,296,262	3,296,362

NORTHERN EXPRESS GLASS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,422,940		1,097,562	
Interest paid		(58,890)		(40,003)	
Income taxes paid		(197,615)		(214,293)	
Net cash inflow from operating activities		1,166,435		843,266	
Investing activities					
Purchase of intangible assets		(2,294)		-	
Purchase of tangible fixed assets		(90,333)		(152,694)	
Proceeds on disposal of tangible fixed assets		-		1,775	
Receipts arising from loans made		(512,816)		(647,896)	
Interest received		28,240		9,151	
Net cash used in investing activities		(577,203)		(789,664)	
Financing activities					
Repayment of borrowings		(1,007,795)		267,597	
Proceeds of new bank loans		1,200,000		-	
Repayment of bank loans		-		(26,671)	
Payment of finance leases obligations		(312,138)		(291,912)	
Dividends paid		(25,497)		(121,626)	
Net cash used in financing activities		(145,430)		(172,612)	
Net increase/(decrease) in cash and cash equivalents		443,802		(119,010)	
Cash and cash equivalents at beginning of year		485,961		604,971	
Cash and cash equivalents at end of year		929,763		485,961	

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Northern Express Glass Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1 Enterprise Way, Burn Hall Industrial Estate, Fleetwood, FY7 8RY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors are monitoring the impact of the Covid-19 pandemic, putting plans in place to mitigate any losses or shortfalls in cash flow and taking precautions where necessary.

The company has considerable cash reserves in place and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for the sales of glass, net of value added tax. Sales are recognised at the point of despatch to the customer.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website design	20% straight line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost, and subsequently measured at cost, net of depreciation and any impairment losses.

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Straight line over 15 years
Plant and machinery	20% reducing balance and 10% straight line
Fixtures and equipment	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

The company has no financial assets which fall to be classified as other financial assets in these financial statements.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Other financial liabilities

The company has no financial liabilities that fall to be classified as other financial liabilities in these financial statements.

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised on respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The government grant is part of the Job Retention Scheme which is a result of the Covid-19 pandemic. The grant is to be used towards a percentage of selected employee's wages, given that the employee does not work, known as furloughed, during this period. This grant income has been included within other operating income in the year.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

The Company enters into commercial property leases for its office and factory buildings. Where management has determined, based on an evaluation of the terms and conditions, that the lessor retains all significant risks and rewards of these properties, it will account for the contracts as operating leases.

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

In determining the appropriate depreciation rates for the Company's assets, management reviews the operating policies of the business and makes judgements as to the applicable useful economic lives of the assets, considering residual values.

Stock valuation

Stocks are stated at the lower of cost (first-in-first-out method) or net realisable value. The cost of stocks comprise net prices paid for materials purchased. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Inventory provisions are recognised for slow-moving, obsolete or unsalable inventory and are reviewed on a quarterly basis.

3 Turnover and other revenue

	2021	2020
	£	£
Other significant revenue		
Interest income	28,240	9,151
Grants received	569,227	15,961
	<u> </u>	<u> </u>

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	3,944
Government grants	(569,227)	(15,961)
Fees payable to the company's auditor for the audit of the company's financial statements	5,250	-
Depreciation of owned tangible fixed assets	455,678	471,033
(Profit)/loss on disposal of tangible fixed assets	-	750
Amortisation of intangible assets	153	-
Operating lease charges	34,886	30,126
	<u> </u>	<u> </u>

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Administrative	23	23
Production	118	124
Total	141	147

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,915,484	2,909,455
Pension costs	48,469	45,662
	2,963,953	2,955,117

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	106,364	89,123

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	28,240	9,151

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	37,136	515
Other finance costs:		
Interest on finance leases and hire purchase contracts	21,664	39,488
Other interest	90	-
	58,890	40,003

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	197,040	149,597
Adjustments in respect of prior periods	-	1,198
Total current tax	197,040	150,795
Deferred tax		
Origination and reversal of timing differences	27,061	7,540
Total tax charge	224,101	158,335

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	1,169,181	658,167
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	222,144	125,052
Tax effect of expenses that are not deductible in determining taxable profit	1,957	817
Adjustments in respect of prior years	-	1,825
Change in deferred tax rate	-	30,641
Taxation charge for the year	224,101	158,335

10 Dividends

	2021 £	2020 £
Final paid	25,497	121,626

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Intangible fixed assets

	Website design
	£
Cost	
At 1 April 2020	-
Additions	2,294
At 31 March 2021	2,294
Amortisation and impairment	
At 1 April 2020	-
Amortisation charged for the year	153
At 31 March 2021	153
Carrying amount	
At 31 March 2021	2,141
At 31 March 2020	-

12 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	14,437	3,799,809	253,093	938,579	5,005,918
Additions	-	444,761	5,357	67,243	517,361
At 31 March 2021	14,437	4,244,570	258,450	1,005,822	5,523,279
Depreciation and impairment					
At 1 April 2020	8,663	2,351,070	178,586	583,698	3,122,017
Depreciation charged in the year	963	342,424	15,577	96,714	455,678
At 31 March 2021	9,626	2,693,494	194,163	680,412	3,577,695
Carrying amount					
At 31 March 2021	4,811	1,551,076	64,287	325,410	1,945,584
At 31 March 2020	5,774	1,448,739	74,507	354,881	1,883,901

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Plant and machinery	709,175	442,201
Motor vehicles	128,182	308,736
	<u>837,357</u>	<u>750,937</u>

13 Stocks

	2021 £	2020 £
Raw materials and consumables	332,751	289,321
Work in progress	166,691	114,930
	<u>499,442</u>	<u>404,251</u>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,530,410	1,448,459
Corporation tax recoverable	426,845	49,662
Other debtors	1,509,095	807,352
Prepayments and accrued income	24,905	39,205
	<u>3,491,255</u>	<u>2,344,678</u>

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	17	616,660	-
Obligations under finance leases	18	174,732	198,855
Other borrowings	17	-	1,007,795
Trade creditors		655,492	550,259
Corporation tax		526,205	149,597
Other taxation and social security		223,674	204,763
Other creditors		2,615	20,897
Accruals and deferred income		63,371	50,186
		<u>2,262,749</u>	<u>2,182,352</u>

The loans above are secured by fixed charges over the assets of the company. Finance leases are secured against the fixed asset to which they relate.

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	583,340	-
Obligations under finance leases	18	431,309	292,296
		<u>1,014,649</u>	<u>292,296</u>

The loans above are secured by fixed charges over the assets of the company. Finance leases are secured against the fixed asset to which they relate.

17 Loans and overdrafts

	2021 £	2020 £
Bank loans	1,200,000	-
Other loans	-	1,007,795
	<u>1,200,000</u>	<u>1,007,795</u>
Payable within one year	616,660	1,007,795
Payable after one year	583,340	-

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	174,732	198,855
In two to five years	431,309	292,296
	<u>606,041</u>	<u>491,151</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021	Liabilities 2020
	£	£
Balances:		
ACAs	<u>294,425</u>	<u>267,364</u>
Movements in the year:		2021
		£
Liability at 1 April 2020		267,364
Charge to profit or loss		<u>27,061</u>
Liability at 31 March 2021		<u>294,425</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>48,469</u>	<u>45,662</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
A Ordinary shares of £1 each	50	50	50	50
B Ordinary shares of £1 each	25	25	25	25
C Ordinary shares of £1 each	20	20	20	20
D Ordinary shares of £1 each	5	5	5	5
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	177,610	182,892
Between two and five years	666,502	680,675
In over five years	74,000	222,000
	<u>918,112</u>	<u>1,085,567</u>

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2021 £	2020 £
Acquisition of tangible fixed assets	<u>481,805</u>	<u>-</u>

24 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Director's Loan Account	2.25	422,247	521,420	15,012	(250,000)	708,679
Director's Loan Account	2.25	378,453	463,156	13,227	(250,000)	604,836
		<u>800,700</u>	<u>984,576</u>	<u>28,239</u>	<u>(500,000)</u>	<u>1,313,515</u>

NORTHERN EXPRESS GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

25 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	945,080	499,832
Adjustments for:		
Taxation charged	224,101	158,335
Finance costs	58,890	40,003
Investment income	(28,240)	(9,151)
(Gain)/loss on disposal of tangible fixed assets	-	750
Amortisation and impairment of intangible assets	153	-
Depreciation and impairment of tangible fixed assets	455,678	471,033
Movements in working capital:		
Increase in stocks	(95,191)	(54,943)
Increase in debtors	(256,578)	(165,005)
Increase in creditors	119,047	156,708
Cash generated from operations	1,422,940	1,097,562

26 Analysis of changes in net debt

	1 April 2020 £	Cash flows £	New finance leases 31 March 2021 £	£
Cash at bank and in hand	485,961	443,802	-	929,763
Borrowings excluding overdrafts	(1,007,795)	(192,205)	-	(1,200,000)
Obligations under finance leases	(491,151)	312,138	(427,028)	(606,041)
	(1,012,985)	563,735	(427,028)	(876,278)

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