

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 October 2020
for
Trueline Expanded Products Ltd.**

Pinfields Limited
Chartered Accountants
Meryll House
57 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

**Contents of the Financial Statements
for the year ended 31 October 2020**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Income Statement	8
Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	16

Trueline Expanded Products Ltd.

**Company Information
for the year ended 31 October 2020**

DIRECTORS:

S Mares
Mrs A M Mares
L G W Wellings

SECRETARY:

Mrs A M Mares

REGISTERED OFFICE:

Parker Place
Firs Industrial Estate
Kidderminster
Worcestershire
DY11 7QN

REGISTERED NUMBER:

02907163 (England and Wales)

AUDITORS:

Pinfields Limited
Chartered Accountants
Meryll House
57 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

**Strategic Report
for the year ended 31 October 2020**

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

REVIEW OF BUSINESS

During the year to 31 October 2020, the company's turnover decreased from 2019 by approx 20.17% to give turnover of £5,705,640. The gross margin has stayed reduced only marginally from 37.76% to 36.71% for the year ended 31 October 2020. Administration overheads have increased but this is more than compensated for by the increase in other operating income due to the government grants received.

With this net profit it leaves the company in a strong position on which to trade for the next year.

The key performance indicators are turnover, margin and ultimate profitability and the analysis of these was given above.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainties for the business is the general state of the UK economy. Especially with regard to the buoyancy of the building industry. The business is also concerned with the cost of its raw material purchases.

ON BEHALF OF THE BOARD:

S Marcs - Director

30 July 2021

**Report of the Directors
for the year ended 31 October 2020**

The directors present their report with the financial statements of the company for the year ended 31 October 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturing of metal angle beads for the building industry.

DIVIDENDS

An interim dividend of £41.90 per share was paid on 6 April 2020. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 October 2020 will be £ 419,000 .

RESEARCH AND DEVELOPMENT

The company continues to undertake Research & Development but due to Covid has been unable to quantify the claim.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2019 to the date of this report.

S Mares
Mrs A M Mares
L G W Wellings

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors
for the year ended 31 October 2020**

AUDITORS

The auditors, Pinfields Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S Mares - Director

30 July 2021

Report of the Independent Auditors to the Members of Trueline Expanded Products Ltd.

Opinion

We have audited the financial statements of Trueline Expanded Products Ltd. (the 'company') for the year ended 31 October 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 October 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of Trueline Expanded Products Ltd.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Trueline Expanded Products Ltd.**

Use of our report

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

P J Tivey FCA FCCA (Senior Statutory Auditor)
for and on behalf of Pinfields Limited
Chartered Accountants
Meryll House
57 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

30 July 2021

Trueline Expanded Products Ltd. (Registered number: 02907163)

**Income Statement
for the year ended 31 October 2020**

	Notes	2020 £	2019 £
TURNOVER		5,705,640	7,147,648
Cost of sales		<u>(3,610,836)</u>	<u>(4,448,458)</u>
GROSS PROFIT		2,094,804	2,699,190
Administrative expenses		<u>(1,884,540)</u>	<u>(1,706,339)</u>
		210,264	992,851
Other operating income	3	<u>294,241</u>	<u>8,385</u>
OPERATING PROFIT	5	504,505	1,001,236
Interest receivable and similar income		<u>228</u>	<u>295</u>
		504,733	1,001,531
Interest payable and similar expenses	6	<u>(32,371)</u>	<u>(40,869)</u>
PROFIT BEFORE TAXATION		472,362	960,662
Tax on profit	7	<u>(31,521)</u>	<u>(71,282)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>440,841</u>	<u>889,380</u>

The notes form part of these financial statements

Trueline Expanded Products Ltd. (Registered number: 02907163)

**Other Comprehensive Income
for the year ended 31 October 2020**

	Notes	2020 £	2019 £
PROFIT FOR THE YEAR		440,841	889,380
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>440,841</u>	<u>889,380</u>

The notes form part of these financial statements

Trueline Expanded Products Ltd. (Registered number: 02907163)

**Balance Sheet
31 October 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	9		1,917,128		1,338,670
Investment property	10		<u>163,000</u>		<u>163,000</u>
			2,080,128		1,501,670
CURRENT ASSETS					
Stocks	11	529,065		493,601	
Debtors: amounts falling due within one year	12	1,895,707		2,150,236	
Debtors: amounts falling due after more than one year	12	1,981,456		1,653,230	
Cash at bank		<u>146,267</u>		<u>476,691</u>	
		4,552,495		4,773,758	
CREDITORS					
Amounts falling due within one year	13	<u>1,446,946</u>		<u>1,409,106</u>	
NET CURRENT ASSETS			<u>3,105,549</u>		<u>3,364,652</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,185,677		4,866,322
CREDITORS					
Amounts falling due after more than one year	14		(889,241)		(674,309)
PROVISIONS FOR LIABILITIES	19		<u>(153,172)</u>		<u>(70,590)</u>
NET ASSETS			<u>4,143,264</u>		<u>4,121,423</u>

The notes form part of these financial statements

Trueline Expanded Products Ltd. (Registered number: 02907163)

Balance Sheet - continued
31 October 2020

	Notes	2020 £	£	2019 £	£
CAPITAL AND RESERVES					
Called up share capital	20		10,000		10,000
Revaluation reserve	21		282,303		282,303
Retained earnings	21		3,850,961		3,829,120
SHAREHOLDERS' FUNDS			<u>4,143,264</u>		<u>4,121,423</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 July 2021 and were signed on its behalf by:

S Mares - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the year ended 31 October 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 November 2018	10,000	3,430,740	282,303	3,723,043
Changes in equity				
Dividends	-	(491,000)	-	(491,000)
Total comprehensive income	-	889,380	-	889,380
Balance at 31 October 2019	10,000	3,829,120	282,303	4,121,423
Changes in equity				
Dividends	-	(419,000)	-	(419,000)
Total comprehensive income	-	440,841	-	440,841
Balance at 31 October 2020	10,000	3,850,961	282,303	4,143,264

The notes form part of these financial statements

**Cash Flow Statement
for the year ended 31 October 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	742,595	1,448,883
Interest paid		(22,404)	(33,877)
Interest element of hire purchase payments paid		(9,967)	(6,992)
Tax paid		(61,948)	42,663
Net cash from operating activities		<u>648,276</u>	<u>1,450,677</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(568,556)	(114,746)
Sale of tangible fixed assets		33,700	31,250
Interest received		228	295
Net cash from investing activities		<u>(534,628)</u>	<u>(83,201)</u>
Cash flows from financing activities			
Loan repayments in year		(15,126)	(131,680)
Capital repayments in year		(8,223)	(82,682)
Amount withdrawn by directors		(1,723)	(31,140)
Equity dividends paid		(419,000)	(491,000)
Net cash from financing activities		<u>(444,072)</u>	<u>(736,502)</u>
(Decrease)/increase in cash and cash equivalents		<u>(330,424)</u>	<u>630,974</u>
Cash and cash equivalents at beginning of year	2	476,691	(154,283)
Cash and cash equivalents at end of year	2	<u>146,267</u>	<u>476,691</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the year ended 31 October 2020**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	472,362	960,662
Depreciation charges	228,769	154,553
Profit on disposal of fixed assets	(2,025)	(5,442)
Finance costs	32,371	40,869
Finance income	(228)	(295)
	731,249	1,150,347
(Increase)/decrease in stocks	(35,464)	25,365
(Increase)/decrease in trade and other debtors	(71,909)	120,809
Increase in trade and other creditors	118,719	152,362
Cash generated from operations	742,595	1,448,883

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 October 2020

	31/10/20	1/11/19
	£	£
Cash and cash equivalents	146,267	476,691

Year ended 31 October 2019

	31/10/19	1/11/18
	£	£
Cash and cash equivalents	476,691	309,012
Bank overdrafts	-	(463,295)
	476,691	(154,283)

**Notes to the Cash Flow Statement
for the year ended 31 October 2020**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/11/19 £	Cash flow £	Other non-cash changes £	At 31/10/20 £
Net cash				
Cash at bank and in hand	<u>476,691</u>	<u>(330,424)</u>		<u>146,267</u>
	<u>476,691</u>	<u>(330,424)</u>		<u>146,267</u>
Debt				
Finance leases	(161,002)	8,223	-	(423,124)
Debts falling due within 1 year	(30,372)	(2,023)	-	(32,395)
Debts falling due after 1 year	<u>(568,231)</u>	<u>17,149</u>	-	<u>(551,082)</u>
	<u>(759,605)</u>	<u>23,349</u>	-	<u>(1,006,601)</u>
Total	<u>(282,914)</u>	<u>(307,075)</u>	-	<u>(860,334)</u>

**Notes to the Financial Statements
for the year ended 31 October 2020**

1. STATUTORY INFORMATION

Trueline Expanded Products Ltd. is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The presentation currency of these financial statements is sterling (£) and they are rounded to the nearest £1.

Going Concern

The COVID-19 pandemic and the ensuing economic shutdown have significantly impacted the company. The accounts have been prepared on the assumption that the company is able to carry on business as a going concern, which the Directors consider appropriate having regard to the circumstances.

The Directors have modified their cash flow forecasts to reflect the expected impact of COVID-19 on the business. These included measures that the Directors have taken to ensure the company can continue to meet its debts.

A variety of financial measures have been put in place.

A number of permanent staff have been furloughed.

Turnover

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

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point the customer has signed for the delivery of goods.

Notes to the Financial Statements - continued
for the year ended 31 October 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- 2% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 33% on cost and 20% on reducing balance
Motor vehicles	- 25% on reducing balance

The Long leasehold property is included at a deemed cost valuation from first implementation of FRS102 in 2016. Depreciation is being provided at 2% on this value. The company has not adopted a revaluation policy.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Government grants in relation to tangible fixed assets are credited to profit and loss account over the useful lives of the related assets.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the year ended 31 October 2020

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

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

All financial assets and liabilities are initially measured at transactions price, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that have no stated interest rate and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are only derecognised when the contractual rights to the cash flows from the financial asset expire or are settled, when the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or when the company has transferred control of the asset to another party.

Financial liabilities are only derecognised when the obligation is discharged, cancelled or expired.

3. OTHER OPERATING INCOME

	2020	2019
	£	£
Rents received	4,800	7,200
Government grants	288,896	-
Exchange gains	545	1,185
	<u>294,241</u>	<u>8,385</u>

Grants received are made up of Coronavirus Job Retention Scheme and deferred grants for asset purchases.

Notes to the Financial Statements - continued
for the year ended 31 October 2020

4. **EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	1,442,319	1,269,617
Social security costs	127,217	113,210
Other pension costs	27,959	22,928
	<u>1,597,495</u>	<u>1,405,755</u>

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

	2020	2019
Factory	43	34
Office	19	19
	<u>62</u>	<u>53</u>

	2020	2019
	£	£
Directors' remuneration	108,392	59,810
Directors' pension contributions to money purchase schemes	<u>1,719</u>	<u>842</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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5. **OPERATING PROFIT**

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

	2020	2019
	£	£
Hire of plant and machinery	33,526	37,291
Depreciation - owned assets	164,283	97,221
Depreciation - assets on hire purchase contracts	64,485	57,332
Profit on disposal of fixed assets	(2,025)	(5,442)
Auditors' remuneration	10,000	12,000
Foreign exchange differences	<u>(545)</u>	<u>(1,185)</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2020

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	1,500	8,364
Bank loan interest	20,606	25,513
Interest on overdue taxation	298	-
Hire purchase	9,967	6,992
	<u>32,371</u>	<u>40,869</u>

7. TAXATION

Analysis of the tax charge

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	-	692
Prior year tax adjustment	(51,061)	-
Total current tax	<u>(51,061)</u>	<u>692</u>
Deferred tax	82,582	70,590
Tax on profit	<u>31,521</u>	<u>71,282</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2020

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	<u>472,362</u>	<u>960,662</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	89,749	182,526
Effects of:		
Expenses not deductible for tax purposes	1,772	1,030
Capital allowances in excess of depreciation	(124,462)	(34,527)
Utilisation of tax losses	-	(109,414)
Adjustments to tax charge in respect of previous periods	(51,061)	-
Deferred tax	82,582	70,590
Loss on disposal of assets	(385)	(1,034)
liability		
Additional Corporation tax refund from R&D Claim	-	(37,889)
Losses carried forward	33,326	-
corporation tax		
Total tax charge	<u>31,521</u>	<u>71,282</u>

8. **DIVIDENDS**

	2020 £	2019 £
Ordinary shares of £1 each		
Interim	<u>419,000</u>	<u>491,000</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2020

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 November 2019	850,000	1,060,879	125,123	461,036	2,497,038
Additions	-	813,645	10,891	14,365	838,901
Disposals	-	(75,000)	-	(75,396)	(150,396)
At 31 October 2020	<u>850,000</u>	<u>1,799,524</u>	<u>136,014</u>	<u>400,005</u>	<u>3,185,543</u>
DEPRECIATION					
At 1 November 2019	68,000	762,549	93,689	234,130	1,158,368
Charge for year	17,000	145,155	12,331	54,282	228,768
Eliminated on disposal	-	(62,824)	-	(55,897)	(118,721)
At 31 October 2020	<u>85,000</u>	<u>844,880</u>	<u>106,020</u>	<u>232,515</u>	<u>1,268,415</u>
NET BOOK VALUE					
At 31 October 2020	<u>765,000</u>	<u>954,644</u>	<u>29,994</u>	<u>167,490</u>	<u>1,917,128</u>
At 31 October 2019	<u>782,000</u>	<u>298,330</u>	<u>31,434</u>	<u>226,906</u>	<u>1,338,670</u>

Cost or valuation at 31 October 2020 is represented by:

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2015	212,140	-	-	-	212,140
Cost	<u>637,860</u>	<u>1,799,524</u>	<u>136,014</u>	<u>400,005</u>	<u>2,973,403</u>
	<u>850,000</u>	<u>1,799,524</u>	<u>136,014</u>	<u>400,005</u>	<u>3,185,543</u>

If leasehold property had not been revalued would have been included at the following historical cost:

	2020 £	2019 £
Cost	<u>637,680</u>	<u>637,680</u>
Aggregate depreciation	<u>146,705</u>	<u>133,948</u>
Value of land in freehold land and buildings	<u>850,000</u>	<u>850,000</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2020

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 November 2019	59,500	163,271	222,771
Additions	<u>315,200</u>	<u>14,365</u>	<u>329,565</u>
At 31 October 2020	<u>374,700</u>	<u>177,636</u>	<u>552,336</u>
DEPRECIATION			
At 1 November 2019	2,975	36,997	39,972
Charge for year	<u>32,318</u>	<u>32,167</u>	<u>64,485</u>
At 31 October 2020	<u>35,293</u>	<u>69,164</u>	<u>104,457</u>
NET BOOK VALUE			
At 31 October 2020	<u>339,407</u>	<u>108,472</u>	<u>447,879</u>
At 31 October 2019	<u>56,525</u>	<u>126,274</u>	<u>182,799</u>

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 November 2019 and 31 October 2020	<u>163,000</u>
NET BOOK VALUE	
At 31 October 2020	<u>163,000</u>
At 31 October 2019	<u>163,000</u>

The directors valued the property as at 31 October 2020. The property has subsequently been disposed of in January 2021 for an amount not materially different to the fair value.

Fair value at 31 October 2020 is represented by:

	£
Valuation in 2016	17,000
Cost	<u>146,000</u>
	<u>163,000</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2020

11. **STOCKS**

	2020	2019
	£	£
Finished Goods	32,841	39,710
Raw materials	496,224	453,891
	<u>529,065</u>	<u>493,601</u>

12. **DEBTORS**

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,381,926	1,502,923
Other debtors	1,676	1,126
Staff loan	319,767	319,767
Directors' current accounts	30,218	28,868
S455 tax debtor	113,745	113,306
Accrued income	30,294	95,147
Prepayments	18,081	89,099
	<u>1,895,707</u>	<u>2,150,236</u>

Amounts falling due after more than one year:

Amounts owed from related party	1,981,456	1,653,230
	<u>1,981,456</u>	<u>1,653,230</u>

Aggregate amounts	<u>3,877,163</u>	<u>3,803,466</u>
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Notes to the Financial Statements - continued
for the year ended 31 October 2020

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 15)	32,395	30,372
Hire purchase contracts (see note 16)	155,122	54,924
Trade creditors	931,975	938,612
Tax	17,857	130,427
Social security and other taxes	34,522	28,757
Pension account	5,679	5,126
VAT	124,674	131,130
Other creditors	482	145
Wages control account	1,843	13
Directors' current accounts	70	443
Deferred income	15,000	-
Accrued expenses	106,280	89,157
Deferred government grants	21,047	-
	<u>1,446,946</u>	<u>1,409,106</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 15)	551,082	568,231
Hire purchase contracts (see note 16)	268,002	106,078
Deferred government grants	70,157	-
	<u>889,241</u>	<u>674,309</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>32,395</u>	<u>30,372</u>
Amounts falling due between one and two years:		
Bank loans - 1- 5 years	<u>141,112</u>	<u>134,135</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>409,970</u>	<u>434,096</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2020

15. **LOANS - continued**

The bank loan is repayable by instalments. Interest is charged at a variable interest rate of 3.30% per annum above Bank of England base rate..

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase	contracts
	2020	2019
	£	£
Net obligations repayable:		
Within one year	155,122	54,924
Between one and five years	268,002	106,078
	<u>423,124</u>	<u>161,002</u>
	Non-cancellable	operating
	2020	2019
	£	£
Within one year	7,979	-
Between one and five years	5,319	-
	<u>13,298</u>	<u>-</u>

17. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	583,477	598,603
Hire purchase contracts	423,124	161,002
	<u>1,006,601</u>	<u>759,605</u>

The bank loans are secured by a 1st Legal charges over the commercial leasehold know as Plot 8 Park Place, Firs Industrial Estate, Kidderminster, DY11 7QN dated 01/05/2008.

Also there is an unlimited debenture dated 18/04/2008 incorporating fixed and floating charge.

Hire purchase agreements are secured by the assets they represent.

Notes to the Financial Statements - continued
for the year ended 31 October 2020

18. **FINANCIAL INSTRUMENTS**

The carrying value of the company's financial assets and liabilities are summarised by category below:

	2020 £	2019 £
Financial assets		
Measured at undiscounted amount receivable		
- Trade and other debtors	3,746,086	3,601,061
Financial liabilities		
Measured at undiscounted amount payable		
- Trade and other creditors	2,052,931	1,793,101

19. **PROVISIONS FOR LIABILITIES**

	2020 £	2019 £
Deferred tax		
Accelerated capital allowances	198,719	75,522
Tax losses carried forward	(45,547)	(4,932)
	<u>153,172</u>	<u>70,590</u>
		Deferred tax
		£
Balance at 1 November 2019		70,590
Provided during year		82,582
Balance at 31 October 2020		<u>153,172</u>

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2020 £	2019 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2020

21. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 November 2019	3,829,120	282,303	4,111,423
Profit for the year	440,841		440,841
Dividends	(419,000)		(419,000)
At 31 October 2020	<u>3,850,961</u>	<u>282,303</u>	<u>4,133,264</u>

22. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2020 £	2019 £
Sales	-	1,043
Purchases	155,000	99,591
Transfers	284,963	450,224
Amount due from related party	<u>1,981,456</u>	<u>1,653,230</u>

Other related parties

	2020 £	2019 £
Transfers	-	12,164
Amount due from related party	<u>319,767</u>	<u>319,767</u>

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