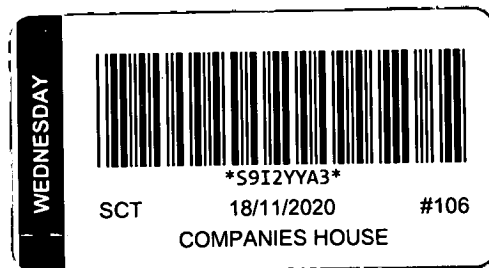




**CHARLES J. MARSHALL
(ABERDEEN) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**



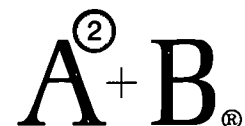
CHARLES J. MARSHALL (ABERDEEN) LIMITED

COMPANY INFORMATION



Directors	M C Marshall C R Marshall A B Marshall
Company secretary	Mrs M C Marshall
Registered number	SC064659
Registered office	Chapel Works Bucksburn Aberdeen AB21 9TL
Independent auditors	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

CONTENTS



	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditors' report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 23

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2019**

Principal activities

The company's principal activity during the year continued to be the manufacture of agricultural machinery.

Business review

The directors are satisfied with the results for the year.

The company continues to expand geographically.

Principal risks and uncertainties

Outwith the general economic climate the main risks remain competition from similar businesses throughout the UK as well as the availability of materials for manufacture.

Financial key performance indicators

The directors consider turnover and gross profit to be the key performance indicators and these measures are continually monitored.

Future outlook

Looking ahead the directors are optimistic that the investment in new technology will lead to further client wins which will add to the company's results in 2019/2020.

This report was approved by the board and signed on its behalf.



C R Marshall
Director

Date: 24.6.20

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2019**



The directors present their report and the financial statements for the year ended 30 November 2019.

Results and dividends

The profit for the year, after taxation, amounted to £145,783 (2018 - £548,061).

During the year the company paid no dividends (2018 - £nil).

Directors

The directors who served during the year were:

M C Marshall
C R Marshall
A B Marshall

Future developments

Looking ahead the directors are optimistic that further client wins will add to the company's results in 2019/2020.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditor, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

C R Marshall
Director

Date: 24.6.20

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

Opinion

We have audited the financial statements of Charles J. Marshall (Aberdeen) Limited (the 'company') for the year ended 30 November 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 30 November 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHARLES J. MARSHALL (ABERDEEN) LIMITED (CONTINUED)**

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 matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report 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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' responsibilities statement on page 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHARLES J. MARSHALL (ABERDEEN) LIMITED (CONTINUED)

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 an Auditors' 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.

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 Auditors' report.

Use of our report

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

Anderson Anderson & Brown Audit LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: *26 June 2020*

CHARLES J. MARSHALL (ABERDEEN) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2019



	Note	2019 £	2018 £
Turnover	4	6,754,645	8,500,818
Cost of sales		(5,340,590)	(5,967,453)
Gross profit		1,414,055	2,533,365
Administrative expenses		(1,266,899)	(1,911,676)
Fair value movements		19,823	103,459
Operating profit	5	166,979	725,148
Interest receivable and similar income	9	13,313	14,148
Interest payable and expenses	10	-	(60,625)
Profit before tax		180,292	678,671
Tax on profit	11	(34,509)	(130,610)
Profit for the financial year		145,783	548,061

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 11 to 23 form part of these financial statements.

CHARLES J. MARSHALL (ABERDEEN) LIMITED
REGISTERED NUMBER: SC064659



BALANCE SHEET
AS AT 30 NOVEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	672,033	864,650
Investments	13	1,875,290	1,855,466
		<u>2,547,323</u>	<u>2,720,116</u>
Current assets			
Stocks	14	3,451,926	2,847,193
Debtors: amounts falling due after more than one year	15	275,358	320,358
Debtors: amounts falling due within one year	15	1,437,542	1,583,536
Cash at bank and in hand	16	3,270,692	3,211,989
		<u>8,435,518</u>	<u>7,963,076</u>
Creditors: amounts falling due within one year	17	(1,440,918)	(1,299,633)
Net current assets		<u>6,994,600</u>	<u>6,663,443</u>
Total assets less current liabilities		<u>9,541,923</u>	<u>9,383,559</u>
Provisions for liabilities			
Deferred tax	19	(148,042)	(135,461)
		<u>(148,042)</u>	<u>(135,461)</u>
Net assets		<u><u>9,393,881</u></u>	<u><u>9,248,098</u></u>
Capital and reserves			
Called up share capital	20	60,000	60,000
Capital redemption reserve		40,000	40,000
Profit and loss account		9,293,881	9,148,098
		<u><u>9,393,881</u></u>	<u><u>9,248,098</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C R Marshall
Director

Date: 24.6.20

The notes on pages 11 to 23 form part of these financial statements.

CHARLES J. MARSHALL (ABERDEEN) LIMITED



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 December 2017	60,000	40,000	8,600,037	8,700,037
Profit for the year	-	-	548,061	548,061
At 1 December 2018	60,000	40,000	9,148,098	9,248,098
Profit for the year	-	-	145,783	145,783
At 30 November 2019	60,000	40,000	9,293,881	9,393,881

The notes on pages 11 to 23 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	145,783	548,061
Adjustments for:		
Depreciation of tangible assets	192,617	178,454
Loss on disposal of tangible assets	(11,500)	(31,300)
Increase in stocks	(604,733)	(447,046)
Interest paid	-	60,625
Interest received	(13,313)	(14,148)
Taxation	34,509	130,610
Increase in debtors	182,918	(311,682)
Increase in amounts owed by related parties	8,075	(18,815)
Increase in creditors	244,707	(291,925)
Corporation tax	(125,350)	(105,931)
Fair value of investment	(19,823)	(103,459)
Net cash generated from operating activities	33,890	(406,556)
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(465,743)
Sale of tangible fixed assets	11,500	51,300
Interest received	13,313	14,148
Net cash from investing activities	24,813	(400,295)
Cash flows from financing activities		
Interest paid	-	(60,625)
Net cash used in financing activities	-	(60,625)
Net increase / (decrease) in cash and cash equivalents	58,703	(867,476)
Cash and cash equivalents at beginning of year	3,211,989	4,079,465
Cash and cash equivalents at the end of year	3,270,692	3,211,989
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,270,692	3,211,989
	3,270,692	3,211,989

The notes on pages 11 to 23 form part of these financial statements.

1. General information

Charles J Marshall (Aberdeen) Limited is incorporated in the United Kingdom. The registered office is Chapel Works, Bucksburn, Aberdeen, AB21 9TL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operations existence for the foreseeable future.

In arriving at this conclusion, the directors have given due consideration to the impact of the worldwide Covid-19 pandemic on future operations and the ability of the company to continue to as a going concern. The directors recognise that the situation remains highly fluid and as a result making accurate forecasts on the likely implications is difficult but the directors do recognise that trading over the coming months is likely to be adversely affected.

Despite this, the directors remain confident that the company can continue to operate as a going concern. This assessment is based on the understanding that the company and the wider group will continue to trade over the coming months, albeit it at a potentially reduced level than was initially anticipated. This, along with making use of government measures to support businesses and retained reserves will allow the Company to continue to meet its obligations as they fall due and operate as a going concern.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.6 Interest income

Interest income is recognised in the Statement of comprehensive income in the period it is earned.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- over 20 years
Land	- not depreciated
Plant & equipment	- 3 - 7 years
Motor vehicles	- 4 years
Tenants' improvements	- over remaining period of lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.11 Valuation of investments

Investments held as fixed assets are shown at valuation less provision for impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

Stock valuation

The company makes an assessment on the recoverability of the cost of stock and whether any stock provision is required. When calculating the stock provision, management considers the nature and condition of stock as well as applying assumptions around anticipated future usage based on past experience.

4. Turnover

No analysis of turnover by geographical region is provided, as the directors believe doing so would seriously prejudice the company's interests.

5. Operating profit

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

	2019 £	2018 £
Depreciation of tangible fixed assets	192,617	178,454
(Gain) on sale of fixed assets	(11,500)	(31,300)
Exchange differences	703	-
Other operating lease rentals	-	300,000
Defined contribution pension cost	33,872	22,960
	<u>114,792</u>	<u>370,114</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>10,500</u>	<u>10,500</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019



7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	1,851,110	1,926,095
Social security costs	178,084	190,510
Cost of defined contribution scheme	33,872	22,960
	<u>2,063,066</u>	<u>2,139,565</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Management	6	4
Administration and sales	4	6
Operations	47	53
	<u>57</u>	<u>63</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	97,720	104,077
	<u>97,720</u>	<u>104,077</u>

During the year retirement benefits were accruing to no directors (2018 - 0)

No pension contributions were paid by the company in respect of the directors (2018 - 0)

9. Interest receivable

	2019 £	2018 £
Other interest receivable	13,313	14,148
	<u>13,313</u>	<u>14,148</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

10. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	-	60,625
	<u>-</u>	<u>60,625</u>

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	21,928	125,350
	<u>21,928</u>	<u>125,350</u>
Total current tax	<u>21,928</u>	<u>125,350</u>
Deferred tax		
Origination and reversal of timing differences	12,581	5,260
Total deferred tax	<u>12,581</u>	<u>5,260</u>
Taxation on profit on ordinary activities	<u>34,509</u>	<u>130,610</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>180,292</u>	<u>678,671</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	34,255	128,947
Effects of:		
Expenses not deductible for tax purposes	1,509	1,373
Fixed asset differences	225	909
Change in rate of deferred tax	(1,480)	(619)
Total tax charge for the year	<u>34,509</u>	<u>130,610</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

11. Taxation (continued)

Factors that may affect future tax charges

The deferred tax balance reflects has been calculated based on the expected future tax rate, substantively enacted at the balance sheet date, of 17%. Since the balance sheet date it has been announced that the corporation tax rate in the UK will remain at 19% for future periods and therefore had the deferred tax been based on this rate the deferred tax liability would increase by £17,417 to £165,459.

12. Tangible fixed assets

	Freehold property £	Tenants improvements £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 December 2018	38,274	797,402	2,203,054	725,530	3,764,260
Disposals	-	-	(144,216)	(69,993)	(214,209)
At 30 November 2019	<u>38,274</u>	<u>797,402</u>	<u>2,058,838</u>	<u>655,537</u>	<u>3,550,051</u>
Depreciation					
At 1 December 2018	26,074	738,224	1,435,604	699,708	2,899,610
Charge for the year on owned assets	-	6,156	178,086	8,375	192,617
Disposals	-	-	(144,216)	(69,993)	(214,209)
At 30 November 2019	<u>26,074</u>	<u>744,380</u>	<u>1,469,474</u>	<u>638,090</u>	<u>2,878,018</u>
Net book value					
At 30 November 2019	<u>12,200</u>	<u>53,022</u>	<u>589,364</u>	<u>17,447</u>	<u>672,033</u>
At 30 November 2018	<u>12,200</u>	<u>59,178</u>	<u>767,450</u>	<u>25,822</u>	<u>864,650</u>

Included in freehold property is land at a cost of £12,200 (2018 - £12,200) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019



13. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 December 2018	1,855,466
Revaluations	19,824
At 30 November 2019	<u>1,875,290</u>

Investment relates to amounts held in an offshore bond. This is included at fair value under FRS 102.

14. Stocks

	2019 £	2018 £
Raw materials and consumables	2,882,220	2,221,793
Work in progress	370,762	115,037
Finished goods and goods for resale	198,944	509,863
Fuel	-	500
	<u>3,451,926</u>	<u>2,847,193</u>

15. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	275,358	320,358
	<u>275,358</u>	<u>320,358</u>
Due within one year		
Trade debtors	1,358,088	1,507,303
Amounts owed by related parties	10,739	18,815
Other debtors	68,715	57,418
	<u>1,437,542</u>	<u>1,583,536</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**16. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	3,270,692	3,211,989
	<u>3,270,692</u>	<u>3,211,989</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	105,141	-
Corporation tax	21,928	125,350
Taxation and social security	220,357	-
Other creditors	793,492	874,283
Accruals and deferred income	300,000	300,000
	<u>1,440,918</u>	<u>1,299,633</u>

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,270,692	3,211,989
Financial assets that are debt instruments measured at amortised cost	1,669,019	1,549,786
	<u>4,939,711</u>	<u>4,761,775</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(624,350)	(300,000)

Financial assets measured at fair value through profit or loss comprise of cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**19. Deferred taxation**

	2019 £	2018 £
At beginning of year	(135,461)	(130,201)
Charged to profit or loss	(12,581)	(5,260)
At end of year	(148,042)	(135,461)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(79,549)	(55,553)
Short term timing differences	(68,493)	(79,908)
	(148,042)	(135,461)

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
60,000 (2018 - 60,000) Ordinary shares of £1.00 each	60,000	60,000

21. Commitments under operating leases

At 30 November 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	-	300,000
	-	300,000



22. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

During the year the company had the following transactions with related parties:

Related Party	Transaction	Amount £	Balance at year end £
Director	Loan	300,000	(574,283)

The director's loan balance does not have set repayment terms. The maximum amount outstanding during the year was £724,283.

Key management personnel

Those who have authority and responsibility for planning, directing and controlling the activities of a company are considered key management personnel. There are no such personnel other than the company's director whose remuneration is already disclosed at note 8.