

Registered number

04008545

STEEL SERVICE CENTRE LIMITED

Report and Financial Statements

31 August 2020

STEEL SERVICE CENTRE LIMITED

Report and accounts

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STEEL SERVICE CENTRE LIMITED

Company Information

Directors

Mr. A.Y. Jarrett

Mr. C. Grattage F.C.A.

Secretary

Mr. C. Grattage F.C.A.

Auditors

G.E Shenton & Co Ltd

St. Pauls House

North Street

Newcastle under Lyme

Staffordshire

ST5 1AZ

Registered office

New Road Industrial Estate

Hixon

Stafford

ST18 0PJ

Registered number

04008545

STEEL SERVICE CENTRE LIMITED

Directors' Report

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

Dividends

The directors recommend that no dividends be declared for the year ended 31 August 2020.

Directors

The following persons served as directors during the year:

Mr. A.Y. Jarrett

Mr. C. Grattage F.C.A.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with applicable law and (United Kingdom Generally Accepted Accounting Practice) (Financial Reporting Standard 102). Under Company law the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 accounts; and
- prepare the accounts 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 accounts 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 of disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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

Auditors

The auditors, G.E. Shenton & Co Ltd, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 April 2021 and signed on its behalf.

A.Y. JARRETT

Director

STEEL SERVICE CENTRE LIMITED

Strategic Report

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

Review of the business

The company's principal activity during the year continued to be sub-contract laser cutting.

Difficult market conditions and the impact of the COVID-19 pandemic in the second half of the financial year caused a significant reduction in business turnover from £11,451,768 in 2018/2019 to £6,766,826 in 2019/2020 whilst gross margin showed a marginal decline from 26% to 25%.

In the last quarter of the financial year it became evident that the downturn in business was likely to be longer term and that the temporary Government support provided through the Coronavirus Job Retention Scheme and other initiatives would be insufficient to sustain the business over an extended period. As a consequence, the company made the decision to reduce its workforce by roughly 30%, close its Derby facility and rationalise operations at its Hixon head office. These changes were substantially complete by the year end, leaving the company smaller but profitable at those lower turnover levels.

One-off costs of £174,803 were incurred during the year as a result of the restructuring, and these costs are included within the various captions of the income statement. The net loss before tax for 2019/2020 was £511,403, including the restructuring costs, compared with a loss of £815,192 for 2018/2019. All business was principally conducted within the UK.

Key Performance Indicators

The nature of the business as a sub-contract laser cutter is relatively straightforward and it is the directors' opinion that extensive analysis of KPI's is not necessary in order to understand the performance and position of the business.

Principal Risks and Uncertainties

The business is subject to a number of ongoing risks and uncertainties. The directors consider that the principal day to day risks are the extremely competitive nature of the laser cutting market and price volatility and availability of steel as steel purchases represent the biggest cost to the business.

The directors believe that the company is well placed to stay in control of these risks and, following the restructuring exercise, are confident of delivering strong financial performance into the future.

Financial Risk Management

Net current assets reduced over the course of the year from £692,115 in 2018/2019 to £349,916 in 2019/2020 due to the reduced turnover and subsequent restructuring detailed above. Total net assets were at £1,989,041 in 2019/2020, reduced from the 2018/2019 net assets figure of £2,445,006, but the cash position of the business remained strong.

All business is transacted in British Pounds so there is no exposure to movements in foreign currency.

The directors' intention is to manage the business closely and to pursue growth in a controlled way in order that it can be sustained. It is anticipated that all growth will be financed out of retained earnings.

This report was approved by the board on 26 April 2021 and signed on its behalf.

A.Y. JARRETT

Director

STEEL SERVICE CENTRE LIMITED
Independent auditor's report
to the members of STEEL SERVICE CENTRE LIMITED

Opinion

We have audited the financial statements of STEEL SERVICE CENTRE LIMITED for the year ended 31 August 2020 which comprise the Income Statement, the Statement of Financial Position, 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 the 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 August 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

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.

David Austin
(Senior Statutory Auditor)
for and on behalf of
G.E. Shenton & Co Ltd
Accountants and Statutory Auditors
27 April 2021

St. Pauls House
North Street
Newcastle under Lyme
Staffordshire
ST5 1AZ

STEEL SERVICE CENTRE LIMITED

Income Statement

for the year ended 31 August 2020

	Notes	2020	2019
		£	£
<u>Turnover</u>	3	6,766,826	11,451,768
Cost of sales		<u>(5,103,958)</u>	<u>(8,516,911)</u>
<u>Gross profit</u>		1,662,868	2,934,857
Distribution costs		(1,023,866)	(1,823,845)
Administrative expenses		(1,538,915)	(1,870,363)
Other operating income		<u>431,170</u>	<u>-</u>
<u>Operating loss</u>	4	(468,743)	(759,351)
Interest receivable		173	-
Interest payable	7	<u>(42,833)</u>	<u>(55,841)</u>
<u>Loss on ordinary activities before taxation</u>		(511,403)	(815,192)
Tax on loss on ordinary activities	8	55,438	104,189
<u>Loss for the financial year</u>		<u><u>(455,965)</u></u>	<u><u>(711,003)</u></u>

The company has no recognised gains or losses other than the results above and therefore no separate statement of comprehensive income has been presented.

There is no difference between the results on ordinary activities before and after taxation and their historical cost equivalents.

All operations are continuing.

The accompanying notes form an integral part of these financial statements.

STEEL SERVICE CENTRE LIMITED

Statement of Financial Position

as at 31 August 2020

	Notes	2020	2019
		£	£
<u>Fixed assets</u>			
Tangible assets	9	2,725,717	3,374,150
 <u>Current assets</u>			
Stocks	10	98,490	175,241
Debtors	11	1,172,448	2,110,512
Cash at bank and in hand		619,300	562,213
		1,890,238	2,847,966
 <u>Creditors: amounts falling due within one year</u>			
	12	(1,540,322)	(2,155,851)
 <u>Net current assets</u>			
		349,916	692,115
 <u>Total assets less current liabilities</u>			
		3,075,633	4,066,265
 <u>Creditors: amounts falling due after more than one year</u>			
	13	(1,084,746)	(1,563,975)
 <u>Provisions for liabilities</u>			
Deferred taxation	15	(1,846)	(57,284)
 <u>Net assets</u>			
		1,989,041	2,445,006
 <u>Capital and reserves</u>			
Called up share capital	16	51	51
Other reserves	17	49	49
Profit and loss account	18	1,988,941	2,444,906
 <u>Total equity</u>			
		1,989,041	2,445,006

A.Y. JARRETT

Director

Approved by the board on 26 April 2021

STEEL SERVICE CENTRE LIMITED

Statement of Changes in Equity

for the year ended 31 August 2020

	Share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
<u>At 1 September 2018</u>	60	40	3,195,909	3,196,009
Loss for the financial year			(711,003)	(711,003)
Cost of acquisition of own shares			(40,000)	(40,000)
Shares redeemed	(9)	9		-
<u>At 31 August 2019</u>	<u>51</u>	<u>49</u>	<u>2,444,906</u>	<u>2,445,006</u>
<u>At 1 September 2019</u>	51	49	2,444,906	2,445,006
Loss for the financial year			(455,965)	(455,965)
<u>At 31 August 2020</u>	<u>51</u>	<u>49</u>	<u>1,988,941</u>	<u>1,989,041</u>

STEEL SERVICE CENTRE LIMITED

Statement of Cash Flows

for the year ended 31 August 2020

	2020	2019
	£	£
<u>Operating activities</u>		
Loss for the financial year	(455,965)	(711,003)
Adjustments for:		
Interest receivable	(173)	-
Interest payable	42,833	55,841
Tax on loss on ordinary activities	(55,438)	(104,189)
Depreciation	622,145	859,513
Decrease in stocks	76,751	13,262
Decrease in debtors	906,213	844,142
Decrease in creditors	(625,332)	(514,463)
	<u>511,034</u>	<u>443,103</u>
Interest received	173	-
Interest paid	(19,550)	(22,755)
Interest element of finance lease payments	(23,283)	(33,086)
Corporation tax recoverable/(paid)	31,851	(31,851)
Cash generated by operating activities	<u>500,225</u>	<u>355,411</u>
<u>Investing activities</u>		
Payments to acquire tangible fixed assets	(10,212)	(21,177)
Proceeds from sale of tangible fixed assets	36,500	79,000
Cash generated by investing activities	<u>26,288</u>	<u>57,823</u>
<u>Financing activities</u>		
Payments to redeem shares	-	(40,000)
Repayment of loans	(52,071)	(48,866)
Capital element of finance lease payments	(417,355)	(407,552)
Cash used in financing activities	<u>(469,426)</u>	<u>(496,418)</u>
<u>Net cash generated/(used)</u>		
Cash generated by operating activities	500,225	355,411
Cash generated by investing activities	26,288	57,823
Cash used in financing activities	<u>(469,426)</u>	<u>(496,418)</u>
Net cash generated/(used)	57,087	(83,184)
Cash and cash equivalents at 1 September 2019	562,213	645,397
Cash and cash equivalents at 31 August 2020	<u>619,300</u>	<u>562,213</u>

STEEL SERVICE CENTRE LIMITED

Notes to the Accounts

for the year ended 31 August 2020

1 General information

STEEL SERVICE CENTRE LIMITED is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page.

2 Summary of significant accounting policies

Basis of preparation

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

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes from goods supplied and from services provided. Turnover is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from services provided is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	2% straight line basis
Plant and machinery	20% straight line basis
Office fixtures etc.:	
Office furniture	20% straight line basis
Computer equipment	33⅓% straight line basis
Motor vehicles	25% reducing balance basis

Depreciation is charged on a pro rata basis from the date of acquisition and use. Depreciation is charged in the year of disposal.

Stocks

Stocks are measured at the lower of cost and net realisable value after making adequate allowance for sub standard, obsolete or slow moving items. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period

in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Current and deferred taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

3	<u>Analysis of turnover</u>	2020	2019
		£	£
	By activity:		
	Laser cutting	<u>6,766,826</u>	<u>11,451,768</u>
	By geographical market:		
	UK	<u>6,766,826</u>	<u>11,451,768</u>
4	<u>Operating profit</u>	2020	2019
		£	£
	This is stated after charging:		
	Depreciation of owned fixed assets	230,363	464,014
	Depreciation of assets held under finance leases and hire purchase contracts	391,782	391,782
	Loss/Surplus on disposal of fixed assets	-	3,729
	Operating lease rentals - plant and machinery	82,303	111,606
	Operating lease rentals - land and buildings	76,524	140,355
	Operating lease rentals - vehicles	71,718	88,659
	Auditors' remuneration for audit services	<u>9,000</u>	<u>9,000</u>
5	<u>Directors' emoluments</u>	2020	2019
		£	£
	Emoluments	79,363	182,467
	Company contributions to defined contribution pension plans	<u>2,832</u>	<u>8,795</u>
		<u>82,195</u>	<u>191,262</u>
	Highest paid director:		
	Emoluments	<u>82,195</u>	<u>97,467</u>
6	<u>Staff costs including directors' remuneration</u>	2020	2019
	<u>were as follows:</u>	£	£

Wages and salaries	1,791,538	3,091,425
Other pension costs	69,678	82,412
	<u>1,861,216</u>	<u>3,173,837</u>

Average number of employees including the directors during the year was as follows:

	Number	Number
Directors	2	3
Administration	34	46
Production	47	56
	<u>83</u>	<u>105</u>

7 Interest payable

2020 **2019**
£ £

Bank loan	19,550	22,755
Finance charges payable under finance leases and hire purchase contracts	23,283	33,086
	<u>42,833</u>	<u>55,841</u>

8 Taxation

2020 **2019**
£ £

Analysis of charge in year

Current tax:

UK corporation tax on profits of the year	-	(31,851)
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Deferred tax:

Origination and reversal of timing differences	(55,438)	(72,338)
Tax on loss on ordinary activities	(55,438)	(104,189)

Factors affecting tax charge for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2020	2019
	£	£
Loss on ordinary activities before tax	<u>(511,403)</u>	<u>(815,192)</u>

Standard rate of corporation tax in the UK	19.00%	19.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	(97,167)	(154,886)
Effects of:		
Expenses not deductible for tax purposes	1,792	6,700
Capital allowances for the year in excess of depreciation	60,886	74,869
Losses available to carry forward	34,488	(41,468)
Current Corporation Tax charge for the year	<u>-</u>	<u>(31,851)</u>

9 Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	£	£	£
<u>Cost or valuation</u>			
At 1 September 2019	1,460,633	4,955,518	6,416,151
Additions	-	10,212	10,212
Disposals	-	(96,981)	(96,981)
At 31 August 2020	<u>1,460,633</u>	<u>4,868,749</u>	<u>6,329,382</u>
<u>Depreciation</u>			
At 1 September 2019	43,819	2,998,182	3,042,001
Charge for the year	29,212	623,919	653,131
On disposals	-	(91,467)	(91,467)
At 31 August 2020	<u>73,031</u>	<u>3,530,634</u>	<u>3,603,665</u>
<u>Net Book Value</u>			
At 31 August 2020	<u>1,387,602</u>	<u>1,338,115</u>	<u>2,725,717</u>
At 31 August 2019	<u>1,416,814</u>	<u>1,957,336</u>	<u>3,374,150</u>
		2020	2019
		£	£
The net book value of plant and machinery included above held under finance leases and hire purchase contracts		<u>1,051,108</u>	<u>1,442,890</u>

The freehold property is secured by a commercial mortgage debenture dated 16 February 2018.

10 Stocks

2020	2019
£	£

Raw materials and consumables			98,490	175,241
			<u> </u>	<u> </u>
11 Debtors			2020	2019
			£	£
Amounts owed by related company			23,587	-
Other debtors			1,012,576	1,783,642
Corporation Tax			-	31,851
Prepayments and accrued income			136,285	295,019
			<u>1,172,448</u>	<u>2,110,512</u>
			<u> </u>	<u> </u>
12 Creditors: amounts falling due within one year			2020	2019
			£	£
Obligations under mortgage contract (secured)			50,621	50,621
Obligations under finance lease and hire purchase contracts			427,158	417,355
Trade creditors			762,585	1,463,614
Amounts owed to related company			-	2,996
Other taxes and social security costs			299,958	221,265
			<u>1,540,322</u>	<u>2,155,851</u>
			<u> </u>	<u> </u>
13 Creditors: amounts falling due after one year			2020	2019
			£	£
Obligations under mortgage contract (secured)			722,647	774,718
Obligations under finance lease and hire purchase contracts			362,099	789,257
			<u>1,084,746</u>	<u>1,563,975</u>
			<u> </u>	<u> </u>
14 Obligations under mortgages, finance leases and hire purchase contracts				
			2020	2019
			Mortgage	Finance leases and hire purchase contracts
			£	£
Amounts payable:				
Within one year			50,621	417,355
Within two to five years			722,647	789,257
			<u>773,268</u>	<u>1,206,612</u>
			<u> </u>	<u> </u>

The bank loan included in creditors is secured by a legal mortgage over all present, future, freehold and leasehold property and by a floating charge over the undertaking of the company including its uncalled capital for the time being.

15 <u>Deferred taxation</u>	2020	2019
	£	£
Accelerated capital allowances	1,846	57,284
	2020	2019
	£	£
At 1 September 2019	57,284	129,622
Transfer to/from profit and loss account	(55,438)	(72,338)
At 31 August 2020	<u>1,846</u>	<u>57,284</u>

16 <u>Share capital</u>	Nominal value	2020 Number	2020 £	2019 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	51	51	51

17 <u>Capital redemption reserve</u>	2020	2019
	£	£
At 1 September 2019	49	40
Shares redeemed during year	-	9
At 31 August 2020	<u>49</u>	<u>49</u>

18 <u>Profit and loss account</u>	2020	2019
	£	£
At 1 September 2019	2,444,906	3,195,909
Loss for the financial year	(455,965)	(711,003)
Capital redemption	-	(40,000)
At 31 August 2020	<u>1,988,941</u>	<u>2,444,906</u>

19 Group personal pension plan

The company operates a group personal pension plan into which all eligible employees are automatically enrolled after 3 months' employment. Funds are managed on behalf of individuals by an independent administrator.

20 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings	Land and buildings	Other	Other
	2020	2019	2020	2019
	£	£	£	£
Falling due:				
within one year	53,206	145,006	46,400	81,925
within two to five years	69,491	122,697	30,342	76,742
	<u>122,697</u>	<u>267,703</u>	<u>76,742</u>	<u>158,667</u>

21 Contingent liabilities

There is a contingent liability for remedial work in respect of contractual warranties which cannot be estimated. No such liabilities had been notified at the date of the directors' report.

22 Presentation currency

The financial statements are presented in Sterling.

23 Related parties

Mr. A.Y. Jarrett, director of the company, owns 100% of the issued share capital of the company at the year end. Mr. Jarrett also owns 90% of the issued share capital of Allett Limited with whom the company traded during the year (see below).

The company acquired services from and supplied services to Allett Limited on commercial terms totalling £154,652 and £58,813 respectively (2019: £266,335 and £128,749).

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