

Financial Statements
for the Year Ended 31 July 2020
for
INDESTRUCTIBLE PAINT LIMITED

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for the year ended 31 July 2020

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Company Information
for the year ended 31 July 2020

Directors:	A D Norton B J Norton D K Norton J C Toon
Secretary:	J C Toon
Registered office:	21 - 25 Pentos Drive Sparkhill Birmingham B11 3TA
Registered number:	01376995 (England and Wales)
Auditors:	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers:	National Westminster Bank PLC 1160/3 Warwick Road Acocks Green Birmingham B27 6DF

Statement of Financial Position
31 July 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	4		1,471,779		1,425,180
Investments	5		<u>5</u>		<u>5</u>
			1,471,784		1,425,185
Current assets					
Stocks		1,193,525		970,385	
Debtors	6		1,214,727	1,240,002	
Cash at bank and in hand			<u>1,336,673</u>	<u>1,821,478</u>	
			3,744,925	4,031,865	
Creditors					
Amounts falling due within one year	7	<u>948,993</u>		<u>1,339,242</u>	
Net current assets			2,795,932		2,692,623
Total assets less current liabilities			4,267,716		4,117,808
Creditors					
Amounts falling due after more than one year	8		(251,668)		(271,668)
Provisions for liabilities			(30,333)		(20,654)
Net assets			<u>3,985,715</u>		<u>3,825,486</u>
Capital and reserves					
Called up share capital	10		25,069		25,069
Revaluation reserve			24,249		24,249
Retained earnings			<u>3,936,397</u>		<u>3,776,168</u>
Shareholders' funds			<u>3,985,715</u>		<u>3,825,486</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2021 and were signed on its behalf by:

D K Norton - Director

Notes to the Financial Statements
for the year ended 31 July 2020

1. **Statutory information**

Indestructible Paint Limited 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.

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment.

In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

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

Grants received

Grants which are of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost

All fixed assets are initially recorded at cost.

Investments in associates

Investments in associate undertakings are recognised at cost.

Stocks

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

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

2. **Accounting policies - continued**

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 statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Significant judgements and estimates

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the company's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

Stock provisions

A provision is incorporated into the financial statements to reflect obsolete stock. This is calculated based on any items in stock which have not moved in the last 12 months being 100% written down.

Depreciation

Depreciation is calculated based on an estimate of the useful life of each category of tangible fixed assets. These policies have been stated above.

3. **Employees and directors**

The average number of employees during the year was 50 (2019 - 47) .

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

4. **Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
Cost				
At 1 August 2019	1,665,414	539,810	454,070	2,659,294
Additions	-	140,357	37,588	177,945
At 31 July 2020	<u>1,665,414</u>	<u>680,167</u>	<u>491,658</u>	<u>2,837,239</u>
Depreciation				
At 1 August 2019	482,160	468,268	283,686	1,234,114
Charge for year	33,308	52,172	45,866	131,346
At 31 July 2020	<u>515,468</u>	<u>520,440</u>	<u>329,552</u>	<u>1,365,460</u>
Net book value				
At 31 July 2020	<u>1,149,946</u>	<u>159,727</u>	<u>162,106</u>	<u>1,471,779</u>
At 31 July 2019	<u>1,183,254</u>	<u>71,542</u>	<u>170,384</u>	<u>1,425,180</u>

5. **Fixed asset investments**

	Interest in associate £
Cost	
At 1 August 2019 and 31 July 2020	<u>5</u>
Net book value	
At 31 July 2020	<u>5</u>
At 31 July 2019	<u>5</u>

6. **Debtors: amounts falling due within one year**

	2020 £	2019 £
Trade debtors	929,062	1,049,488
Other debtors	24,188	24,407
Corporation tax	180,860	102,954
Prepayments and accrued income	80,617	63,153
	<u>1,214,727</u>	<u>1,240,002</u>

7. **Creditors: amounts falling due within one year**

	2020 £	2019 £
Bank loans and overdrafts	20,000	20,000
Trade creditors	285,322	423,523
Social security and other taxes	49,557	76,182
VAT	46,423	45,557
Other creditors	24,384	44,448
Directors' loan accounts	338,519	379,132
Accruals and deferred income	184,788	350,400
	<u>948,993</u>	<u>1,339,242</u>

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

8. **Creditors: amounts falling due after more than one year**

	2020	2019
	£	£
Bank loans - 1-2 years	20,000	20,000
Bank loans - 2-5 years	60,000	60,000
Bank loans more than 5 years	<u>171,668</u>	<u>191,668</u>
	<u>251,668</u>	<u>271,668</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more than 5 years	<u>171,668</u>	<u>191,668</u>

9. **Secured debts**

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	<u>271,668</u>	<u>291,668</u>

The long term loans are secured by a fixed legal charge over the company's freehold properties, Units 16, 19 and 21 Pentos Drive and debentures over all assets of the company.

10. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
25,000	Ordinary	£1	25,000	25,000
69	Ordinary B	£1	<u>69</u>	<u>69</u>
			<u>25,069</u>	<u>25,069</u>

11. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Report of the Auditors was unqualified.

Kevin Hodgetts (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP

12. **Related party disclosures**

Mr D K Norton is the ultimate controlling party.

The following related parties each have a loan account with the company and included in creditors are the following amounts:

	2020	2019
	£	£
Directors	338,519	379,131
Shareholders	24,379	44,443