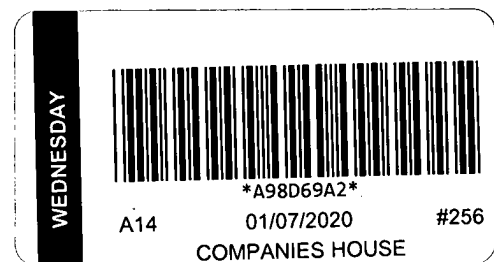


W J VINCENT GROUP LIMITED
CONSOLIDATED ACCOUNTS
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2019



W J VINCENT GROUP LIMITED
GROUP INFORMATION

| | |
|-------------------|--|
| Directors | C-A Vincent Jake Vincent |
| Secretary | C-A Vincent |
| Company Number | 00331743 |
| Registered office | 8 Montgomery Street Sparkbrook Birmingham West Midlands B11 1DU |
| Auditors | UHY Hacker Young (Birmingham) LLP Registered Auditors 9-11 Vittoria Street Birmingham B1 3ND |
| Bankers | HSBC Bank plc New Street Branch 130 New Street Birmingham West Midlands B2 4JU |

W J VINCENT GROUP LIMITED
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| Notes to the financial statements | 10 to 16 |

The directors present their strategic report for the year ended 30 September 2019.

REVIEW OF BUSINESS

The principal activity of the group in the year under review was that of timber and sheet material importers and merchants and saw millers.

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

FY2018/19 shows the result of a less successful trading year with an annual decrease in turnover from £12,183,508 to £11,079,153. The Company's gross profit and future development margin increased from 26.0% to 26.7%.

The Company continues to be a market leader providing excellent service and quality products.

With continued investment into stockholding, recruiting of additional staff and an aggressive business development plan we are confident we will continue to build on this year's performance.

The key objective for FY2019/20 is to further improve the gross margin across the product range which with a rationalisation of the companies cost base, which will lead to a significant improvement in the pre tax profits.

FINANCIAL POSITION AT THE 30 SEPTEMBER 2019

The balance sheet indicates that the group's net assets at the year end has decreased from £2,162,903 to £2,128,855.

KEY FINANCIAL PERFORMANCE INDICATORS

The group has well established financial performance targets, which it uses to monitor against budget. Examples of key financial performance indicators which the group monitors during the year are as follows:

| | 2019 | 2018 |
|-------------------------------------|--------|--------|
| Current assets ratio | 1.49:1 | 1.41:1 |
| Net (loss)/profit margin before tax | (0.4%) | 0.8% |
| Return on capital employed | 1.3% | 8.4% |

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The Company's primary financial instrument is cash. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks that arise from the Company's financial instruments are that of credit risk and currency exposure.

The Company trades only with recognised and creditworthy third parties. It is Company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company has credit insurance on all major debtors.

The Company ensures that wherever possible it hedges against adverse currency movement primarily by matching future payments and receipts in the same currency and through the use of forward rate agreement. The Company regularly contracts to forward rate agreement on currencies in order to minimise its foreign currency exposure. The Company also utilise letter of credit and bills of exchange as part of its financial risk management.

ON BEHALF OF THE BOARD:



Jake Vincent - Director

Date: 24/6/2020

The directors present their report with the financial statements of the group for the year ended 30 September 2019

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2019

DIRECTORS

The directors shown below have held office during the period from 1 October 2018 to the date of this report.

C-A Vincent
J Vincent

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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) 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group 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 Group's auditors are unaware, and each director 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 Group's auditors are aware of that information.

AUDITORS

The auditors, UHY Hacker Young (Birmingham) LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....

Jake Vincent - Director

Date: 24/6/2020

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF W J VINCENT GROUP LIMITED

Opinion

We have audited the financial statements of W J Vincent Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Consolidated Profit and Loss account, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 group's and of the parent company's affairs as at 30 September 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 group 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 group's or the parent 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, the Report of the Directors and the Statement of Directors' Responsibilities, 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 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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF W J VINCENT GROUP LIMITED

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 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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 two, 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 group's and the parent 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 group or parent company or to cease operations, or have no realistic alternative but to do so.

Our 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.



Malcolm Winston (Senior Statutory Auditor)

for and on behalf of UHY Hacker Young (Bham) LLP, Statutory Auditor
9-11 Vittoria Street,
Birmingham, B1 3ND

Date: 24 June 2020

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2019

| | Notes | 2019 | 2018 |
|---|-------|------------------|------------------|
| | | £ | £ |
| Turnover | 1 | 11,079,153 | 12,183,508 |
| Cost of sales | | (8,118,178) | (9,011,427) |
| Gross profit | | 2,960,975 | 3,172,081 |
| Administrative expenses | 2 | (2,933,451) | (2,990,866) |
| Operating profit | 3 | 27,524 | 181,215 |
| Interest payable and similar charges | 4 | (67,031) | (84,156) |
| (Loss)/profit on ordinary activities before taxation | | (39,507) | 97,059 |
| Tax on (loss)/profit on ordinary activities | 5 | (5,460) | 7,744 |
| (Loss)/profit for the financial year | | (34,047) | 89,315 |

There were no recognised gains and losses for year ended 30 September 2019 and September 2018 other than those included in the consolidated profit and loss account.

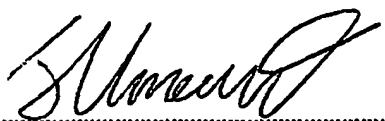
The notes on pages 10 to 16 form part of these financial statements.

W J VINCENT GROUP LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2019

6

| | | 2019 | | 2018 | |
|---|-------|--------------------|------------------|--------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 6 | | 483,363 | | 521,496 |
| | | | <u>483,363</u> | | <u>521,496</u> |
| Current assets | | | | | |
| Stocks | 8 | 2,933,261 | | 3,433,803 | |
| Debtors | 9 | 1,897,074 | | 2,446,829 | |
| Cash at bank and in hand | | 263,020 | | 59,651 | |
| | | <u>5,093,355</u> | | <u>5,940,283</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(3,421,430)</u> | | <u>(4,216,764)</u> | |
| Net current assets | | | <u>1,671,925</u> | | <u>1,723,519</u> |
| Total assets less current liabilities | | | 2,155,288 | | 2,245,015 |
| Creditors: amount falling due after more than one year | 11 | | (26,432) | | (82,112) |
| | | | <u>2,128,856</u> | | <u>2,162,903</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 15 | | 23,498 | | 23,498 |
| Share Premium | | | 3 | | 3 |
| Capital Redemption Reserve | | | 34,502 | | 26,502 |
| Profit and loss account | | | 2,070,853 | | 2,112,900 |
| Shareholders' funds - equity interests | | | <u>2,128,856</u> | | <u>2,162,903</u> |

The financial statements were approved by the Board on 19 June 2019.

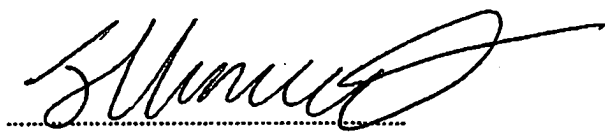


.....
Director
Jake Vincent

The notes on pages 10 to 16 form part of these financial statements.

| | Notes | £ | 2019 £ | £ | 2018 £ |
|--|-------|-----------------|-----------------|-----------------|-----------------|
| Fixed assets | | | | | |
| Investments | 7 | | <u>721,697</u> | | <u>721,697</u> |
| | | | 721,697 | | 721,697 |
| Current assets | | | | | |
| Debtors | 9 | <u>1,324</u> | | <u>1,324</u> | |
| | | 1,324 | | 1,324 | |
| Creditors: amounts falling due within one year | 10 | <u>(21,578)</u> | | <u>(13,578)</u> | |
| Net current assets | | | <u>(20,254)</u> | | <u>(12,254)</u> |
| Total assets less current liabilities | | | 701,443 | | 709,443 |
| Creditors: amount falling due after more than one year | 11 | | (2,000) | | (10,000) |
| | | | <u>699,443</u> | | <u>699,443</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 15 | | 23,498 | | 23,498 |
| Capital Redemption Reserve | | | 34,502 | | 26,502 |
| Profit and loss account | | | 641,443 | | 649,443 |
| Shareholders' funds - equity interests | | | <u>699,443</u> | | <u>699,443</u> |

The financial statements were approved by the Board on 24/6/2020



Director
 Jake Vincent

The notes on pages 10 to 16 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2019

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Total equity £ |
|-------------------------------------|------------------------------------|---------------------------|-----------------------|------------------------------------|----------------------|
| Balance at 1 October 2017 | 23,498 | 2,023,585 | 3 | 26,502 | 2,073,588 |
| Changes in equity | | | | | |
| Profit for the financial year | - | 89,315 | - | - | 89,315 |
| Balance at 30 September 2018 | <u>23,498</u> | <u>2,112,900</u> | <u>3</u> | <u>26,502</u> | <u>2,162,903</u> |
| Balance at 1 October 2018 | 23,498 | 2,112,900 | 3 | 26,502 | 2,162,903 |
| Changes in equity | | | | | |
| Loss for the financial year | - | (34,047) | - | - | (34,047) |
| Purchase of preference shares | - | (8,000) | - | 8,000 | - |
| Balance at 30 September 2019 | <u>23,498</u> | <u>2,070,853</u> | <u>3</u> | <u>34,502</u> | <u>2,128,856</u> |

| | Notes | 2019 £ | 2018 £ |
|---|-------|-------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Cash generated provided by operations | 16 | 1,036,981 | 677,103 |
| Interest paid | | (51,589) | (69,405) |
| Interest element of hire purchase payments paid | | (15,442) | (14,751) |
| Net cash provided by operating activities | | <u>969,950</u> | <u>592,947</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (35,787) | (15,268) |
| Sale of tangible fixed assets | | - | - |
| Net cash used in investing activities | | <u>(35,787)</u> | <u>(15,268)</u> |
| Cash flows from financing activities | | | |
| Loans repaid | | (292,200) | (101,100) |
| Amount (withdrawn) / introduced by Directors | | (20,570) | 138,784 |
| Capital repayments in year | | (71,859) | (73,504) |
| Net cash used in financing activities | | <u>(384,629)</u> | <u>(35,820)</u> |
| Increase in cash and cash equivalents | | 549,534 | 541,859 |
| Cash and cash equivalents at beginning of year | | <u>(1,265,784)</u> | <u>(1,807,643)</u> |
| Cash and cash equivalents at end of year | | <u><u>(716,250)</u></u> | <u><u>(1,265,784)</u></u> |

1 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.

Going Concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on future trading projections for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the group maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities.

In addition, the group's assets are assessed for recoverability on a regular basis, and the directors consider that the group is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the group's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

Turnover

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

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.

| | |
|-----------------------|--|
| Freehold property | - 2% on cost |
| Plant and machinery | - 25% on cost and 10% on cost |
| Fixtures and fittings | - 33% on cost, 20% on cost and 10% on cost |
| Motor vehicles | - 10% on cost and 25% on cost |

Stocks

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

Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computations.

A net deferred tax asset is recognised only if it can be regarded as more likely than not there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (cont'd)**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.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate. The assets of the scheme are held separately from those of the group.

2 STAFF COSTS

| | 2019 | 2018 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,514,303 | 1,567,844 |
| Social security costs | 139,870 | 159,903 |
| Other pension costs | 72,827 | 50,969 |
| | <u>1,727,000</u> | <u>1,778,716</u> |

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

| | 2019 | 2018 |
|--------------------------------|-----------|-----------|
| | No | No |
| Production staff | 30 | 37 |
| Sales and administration staff | 19 | 24 |
| | <u>49</u> | <u>61</u> |

| | 2019 | 2018 |
|--|---------------|---------------|
| | £ | £ |
| Directors' remuneration | 141,954 | 127,533 |
| Directors' pension contributions to money purchase schemes | 32,375 | 14,839 |
| | <u>32,375</u> | <u>14,839</u> |

| | 2019 | 2018 |
|--|------|------|
| | No | No |

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

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>2</u> |
|------------------------|----------|----------|

Information regarding the highest paid director is as follows:

| | 2019 | 2018 |
|---|---------------|--------------|
| | £ | £ |
| Emoluments etc | 93,787 | 99,550 |
| Pension contributions to money purchase schemes | 32,375 | 8,000 |
| | <u>32,375</u> | <u>8,000</u> |

Key management remuneration £262,827 (2018 : £193,170)

3 OPERATING PROFIT

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

| | 2019 | 2018 |
|--|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 35,371 | 22,200 |
| Depreciation - assets on hire purchase contracts | 38,549 | 40,585 |
| Auditors' remuneration | 18,950 | 18,950 |
| | <u>18,950</u> | <u>18,950</u> |

The parent company audit fee was £nil (2018 : £nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (cont'd)

4 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2019 | 2018 |
|-------------------|---------------|---------------|
| | £ | £ |
| Factoring charges | 51,589 | 69,405 |
| Hire purchase | 15,442 | 14,751 |
| | <u>67,031</u> | <u>84,156</u> |

5 TAXATION

Analysis of the tax charge

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

| | 2019 | 2018 |
|--------------------------------------|----------------|--------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | - | - |
| Corp Tax adj re prior year | - | - |
| Total current tax | - | - |
| Deferred tax | (5,460) | 7,744 |
| Tax on profit on ordinary activities | <u>(5,460)</u> | <u>7,744</u> |

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.

| | £ | £ |
|---|-----------------|---------------|
| Profit on ordinary activities before tax | <u>(39,507)</u> | <u>97,059</u> |
| (Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19.5%) | (7,506) | 18,441 |
| Effects of: | | |
| Disallowed expenses | 1,109 | 2,435 |
| Depreciation in excess of capital allowances | 7,196 | 8,324 |
| Losses utilised | (799) | (15,140) |
| Slow moving stock provision | - | (14,060) |
| Profit on disposal | - | - |
| Movement in deferred tax | (5,460) | 7,744 |
| Total tax (credit)/charge | <u>(5,460)</u> | <u>7,744</u> |

6 TANGIBLE FIXED ASSETS

| | Freehold property | Plant & Machinery | Fixtures & Fittings | Motor vehicles | Totals |
|-----------------------|----------------------|----------------------|------------------------|-------------------|------------------|
| Group | £ | £ | £ | £ | £ |
| COST | | | | | |
| At 1 October 2018 | 308,097 | 867,193 | 229,600 | 95,745 | 1,500,635 |
| Additions | 2,770 | 19,331 | 13,686 | - | 35,787 |
| Disposals | - | - | - | - | - |
| At 30 September 2019 | <u>310,867</u> | <u>886,524</u> | <u>243,286</u> | <u>95,745</u> | <u>1,536,422</u> |
| DEPRECIATION | | | | | |
| At 1 October 2018 | 122,774 | 583,859 | 204,241 | 68,265 | 979,139 |
| Charge for year | 4,936 | 45,553 | 18,634 | 4,797 | 73,920 |
| Disposals | - | - | - | - | - |
| At 30 September 2019 | <u>127,710</u> | <u>629,412</u> | <u>222,875</u> | <u>73,062</u> | <u>1,053,059</u> |
| NET BOOK VALUE | | | | | |
| At 30 September 2019 | <u>183,157</u> | <u>257,112</u> | <u>20,411</u> | <u>22,683</u> | <u>483,363</u> |
| At 30 September 2018 | <u>185,323</u> | <u>283,334</u> | <u>25,359</u> | <u>27,480</u> | <u>521,496</u> |

Included in cost of land and buildings is freehold land of £75,000 (2018 - £75,000) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (cont'd)

7 FIXED ASSET INVESTMENTS

| Company | Shares in Group undertakings |
|--|---------------------------------|
| COST | £ |
| At 30 September 2018 and 30 September 2019 | <u>858,514</u> |
| PROVISIONS | |
| At 30 September 2018 and 30 September 2019 | <u>136,817</u> |
| NET BOOK VALUE | |
| At 30 September 2019 | <u><u>721,697</u></u> |
| At 30 September 2018 | <u><u>721,697</u></u> |

The company's investments at the balance sheet date in the share capital of companies include the following:

Vincent Timber Limited

Nature of business: Import and merchandising of timber and panel products

| Class of shares | % | 2019 | 2018 |
|--------------------------------|-----|-----------------|---------------|
| Holding | | £ | £ |
| Ordinary | 100 | | |
| Aggregate capital and reserves | | 2,148,110 | 2,182,157 |
| (Loss)/profit for the year | | <u>(34,047)</u> | <u>89,315</u> |

Richard Cliff (Birmingham) Limited

Nature of business: Dormant

| Class of shares | % |
|-----------------|-----|
| Holding | |
| Ordinary | 100 |

Vincent Timber Centre Limited

Nature of business: Dormant

| Class of shares | % |
|-----------------|-----|
| Holding | |
| Ordinary | 100 |

8 STOCKS

| | Group | | Company | |
|---------------|------------------|------------------|----------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Raw Materials | <u>2,933,261</u> | <u>3,433,803</u> | <u>-</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (cont'd)

9 DEBTORS

| | Group | | Company | |
|--------------------------------|------------------|------------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Due within one year | | | | |
| Trade debtors | 1,837,154 | 2,382,926 | - | - |
| Other debtors | 21,992 | 24,849 | 1,324 | 1,324 |
| Prepayments and accrued income | 24,882 | 31,468 | - | - |
| Deferred tax asset | 13,046 | 7,586 | - | - |
| | <u>1,897,074</u> | <u>2,446,829</u> | <u>1,324</u> | <u>1,324</u> |

10 CREDITORS**Amounts falling due within one year**

| | Group | | Company | |
|---|------------------|------------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 12) | 1,058,870 | 1,697,235 | - | - |
| Hire purchase contracts (see note 13) | 49,082 | 73,261 | - | - |
| Trade Creditors | 840,810 | 944,348 | - | - |
| Amounts owed to group undertakings | - | - | 20,849 | 12,849 |
| Social security and other taxes | 27,860 | 69,156 | - | - |
| VAT | 315,927 | 295,024 | - | - |
| Other creditors | 18,268 | 12,299 | - | - |
| Director's current account | 544,491 | 565,061 | - | - |
| Accruals | 566,122 | 560,380 | 729 | 729 |
| | <u>3,421,430</u> | <u>4,216,764</u> | <u>21,578</u> | <u>13,578</u> |

The company's bankers HSBC have a fixed and floating charge over the company's assets and a cross guarantee for the bank borrowings of all trading group undertakings.

11 CREDITORS**Amounts falling due after more than one year**

| | Group | | Company | |
|---------------------------------------|---------------|---------------|--------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Hire purchase contracts (see note 13) | 24,432 | 72,112 | - | - |
| Preference shares (see note 12) | 2,000 | 10,000 | 2,000 | 10,000 |
| | <u>26,432</u> | <u>82,112</u> | <u>2,000</u> | <u>10,000</u> |

12 LOANS

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|--|------------------|------------------|----------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Amounts falling due within one year or on demand: | | | | |
| Bank overdraft: | | | | |
| Import loan | 79,600 | 371,800 | - | - |
| Invoice factoring | 979,270 | 1,325,435 | - | - |
| | <u>1,058,870</u> | <u>1,697,235</u> | <u>-</u> | <u>-</u> |

12 LOANS (cont'd)

| | Group | | Company | |
|-------------------|--------------|---------------|--------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Preference shares | 2,000 | 10,000 | 2,000 | 10,000 |
| | <u>2,000</u> | <u>10,000</u> | <u>2,000</u> | <u>10,000</u> |

Redeemable cumulative preference shares confer on the holders the right to receive a fixed cumulative preferential dividend of £5 per centum per annum. Such dividend ranks in priority to ordinary shares and 7% cumulative second preference shares.

In winding up the holders of redeemable cumulative preference shares are entitled to:

- i) repayment of amounts paid or credited as paid on the shares;
- ii) any arrears of dividend up to the commencement of winding up whether declared or not.

The holders of the redeemable cumulative preference shares are not entitled to attend or vote at meetings of the company unless the dividend on the shares is 12 months or more in arrears.

7% cumulative second preference shares confer on the holders the right to receive a fixed cumulative preferential dividend of 7% per annum on the amount paid or credited as being paid on each share ranking next in priority to the redeemable cumulative preference shares.

In winding up the holders of these shares are entitled to:

- i) repayment of amounts paid or credited as paid on the shares;
- ii) any arrears of dividend up to the commencement of winding up whether declared or not.

The holders of the 7% cumulative second preference shares are not entitled to receive notice of or attend, not vote at, any ordinary general meeting.

In the case of both redeemable cumulative preference shares and 7% cumulative second preference shares the holders are not entitled to any further participation in the surplus assets.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

| Number | Class | Nominal Value | 2019 | 2018 |
|--------|---------------------------------|---------------|--------------|---------------|
| | | £ | £ | £ |
| 2,000 | 7% cumulative second preference | 1 | <u>2,000</u> | <u>10,000</u> |

13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

| | Group | | Company | |
|----------------------------|---------------|---------------|----------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Net obligations repayable: | | | | |
| Within one year | - | - | - | - |
| Between one and five years | 24,432 | 72,112 | - | - |
| | <u>24,432</u> | <u>72,112</u> | <u>-</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (cont'd)

14 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

| | Group | | Company | |
|-------------------------------|---------------|---------------|----------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Other Operating Leases | | | | |
| Expiring: | | | | |
| Within one year | 26,820 | 26,820 | - | - |
| Between one and five years | 11,175 | 37,995 | - | - |
| | <u>37,995</u> | <u>64,815</u> | <u>-</u> | <u>-</u> |

15 SHARE CAPITAL

| | 2019 | 2018 |
|---|---------------|---------------|
| | £ | £ |
| Authorised | | |
| 23,498 Ordinary shares of £1 each | <u>23,498</u> | <u>23,498</u> |
| Allotted, called up and fully paid | | |
| 23,498 Ordinary shares of £1 each | <u>23,498</u> | <u>23,498</u> |

16 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

| | 2019 | 2018 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Operating profit | 27,524 | 181,215 |
| Depreciation charges | 73,920 | 62,785 |
| Decrease in stocks | 500,542 | 964,027 |
| Decrease/(increase) in debtors | 555,215 | (154,633) |
| Decrease in creditors | <u>(120,220)</u> | <u>(376,291)</u> |
| Cash provided by operations | <u>1,036,981</u> | <u>677,103</u> |

17 ULTIMATE PARENT COMPANY

The group's ultimate parent company is W J Vincent Group Limited, a company registered in England and Wales. The company is controlled by Mrs C-A Vincent.