

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 September 2021
for
Don-Bur (Holdings) Limited**

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for the Year Ended 30 September 2021**

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Don-Bur (Holdings) Limited
Company Information
for the Year Ended 30 September 2021

DIRECTORS:

D Burton
D J Burton
D M Burton

SECRETARY:

A Bushnell

REGISTERED OFFICE:

Mossfield Road
Adderley Green
Longton
Stoke on Trent
Staffordshire
ST3 5BW

REGISTERED NUMBER:

03218454 (England and Wales)

AUDITORS:

DJH Audit Limited
Statutory Auditors
The Glades
Festival Way
Stoke on Trent
Staffordshire
ST1 5SQ

**Group Strategic Report
for the Year Ended 30 September 2021**

The directors present their strategic report of the company and the group for the year ended 30 September 2021.

REVIEW OF BUSINESS

2020/21 has been another testing year. In the wake of Brexit and the Covid-19 pandemic we now have a record orderbook extending well into 2023, but there have been many obstacles in the way of us being able to maximise on the opportunities that such a large orderbook presents.

The major issue has been the availability of labour, both in attracting new talent into the business and retaining the employees that we already have. We have had to implement a set of labour rate increases just in order to stabilise the workforce and to be able to bring new talent into the organisation as we try to maximise on the volume of our output. This has been a particularly difficult period for recruitment as we compete with other major employers in the area for labour in a landscape of scarce human resources and escalating pay rates.

The other major challenge has been the escalating material price increases which we have been subjected to across virtually all the components that make up our product, particularly in steel. Contracts have needed to be re-assessed for increased costs multiple times, and ethical mechanisms put in place to pass on cost increases to end customers in order for us to protect our margins and remain viable as a business.

Increasing prices and managing a record order book has put a strain on inventory which we are constantly monitoring. Year end inventory is higher than in the prior year, but the reasons for this have been carefully analysed and are fully understood.

Cash remained a focus throughout the year, and despite the many challenges that we faced we were able to finish the year with a healthy level of cash similar to the prior year.

Financial key performance indicators

To assist in monitoring the performance of the company the following key performance indicators are used:

	2021	2020
	£	£
Turnover	53,713	42,416
Profit before tax	2,535	1,207
Stock levels	8,780	5,462
Trade debtors	6,373	6,285
Net cash (borrowings)	3,117	9,127
Staff costs	14,222	14,227
Number of employees	455	476

**Group Strategic Report
for the Year Ended 30 September 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

In the current market our principal risks and uncertainties include our competitive position in the market place, the volatility of exchange rates and the uncertainties and issues that still surround Brexit and Covid, and the impact these have on material and labour costs, the solvency of our clients, the security of our supply chain and our financing capability.

The continued development of our range of products and recent developments within the industry however has served to strengthen our competitive positioning.

We place forward exchange contracts at the point of placing orders for materials so that costings reflect the price we will actually incur.

We have freight forwarders in place to ensure the smooth supply of goods from Europe after the Brexit deadline. Mechanisms are in place with Customers to ensure that unforeseen price rises affecting contracts can be passed on to the end customer.

We apply strict credit control procedures to clients to monitor their creditworthiness and to keep debts within a defined range.

Our supply chain is tested rigorously both for financial strength and to ensure we have alternate routes to materials in the event of non-supply.

Our banking facilities were renewed in full in the year, which the directors believe will be more than adequate for our expected needs.

**Group Strategic Report
for the Year Ended 30 September 2021**

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires Directors to consider the interests of stakeholders and other matters in their decision making. When making decisions the Directors continue to regard the interests of the Company's employees and other stakeholders, including customers, suppliers, creditors, strategic partners, and shareholders.

We also consider the impact of the Company's activities on the community and the environment, and the factors which may affect the Company's reputation. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its shareholders in the long term.

The Board recognises that it is essential to build relationships and partner with our customers, suppliers and strategic partners. We engage with these stakeholders in an honest and ethical manner, promoting transparency in all that we do. We look to partner with customers and suppliers who share our corporate philosophy and commit to ethical business practices in a wide variety of areas (such as health and safety, employment practices, anti-bribery laws and trade regulations). We maintain a good and constant level of communications with all key stakeholders, particularly our employees, customers and suppliers and keep abreast of all relevant legislation in order to understand the issues to which we must have regard and act upon.

The effect of such actions over the financial year has been primarily to protect the company's profitability during a period of rapidly rising costs, particularly in steel. We have developed models to justify our price increases to our customers, linked to various indices, with an open book approach to assure them that the increases are only implemented to protect our margins and ensure that Don-Bur remains a going concern that will be able to serve them in the future.

Suppliers are seen as essential stakeholders and are treated with respect by the Directors of the company. Payment terms are clearly defined and suppliers are paid to these terms without fail.

Employee's wellbeing has also been at the forefront of our processes this year. We have put pay rises in place to ensure that they have not been detrimentally affected by rising household costs, and have used professionals to gain feedback from them such that we better understand their needs.

The safety of employees also continues to be of prime concern with policies in place reflecting current Covid conditions. Health & Safety systems are being reviewed and software explored which will be targeted at reducing incidents within the company.

Operating safely and maintaining the health and safety of our employees, customers and neighbours while protecting the environment are priorities of the Board. Safety is part of the Company's culture and every employee must abide by our H&S policies. The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

D M Burton - Director

26 January 2022

**Report of the Directors
for the Year Ended 30 September 2021**

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2021.

DIVIDENDS

Dividends of £540,000 have been paid during the year (2020 - £230,000).

FUTURE DEVELOPMENTS

Continuous improvement is at the heart of our operations. In addition to our product innovation we are always looking for ways to improve processes which will enhance quality, ensure delivery on time, and improve profitability.

With a record orderbook the directors are confident that the company will still be profitable in the forthcoming 12 months and beyond, although the full impact of Covid-19 on the business still cannot be predicted with any certainty. The directors are of the opinion that the company can continue to operate within its current and future financial parameters and so continue to meet its debts as they fall due.

The company's longer-term strategy for beyond 2021 is to grow its market share and improve profitability by seizing opportunities that currently exist to achieve organic growth. The directors have continued to put measures in place to try and break into new markets in order to achieve this. As such, the directors believe the company to be a going concern and have adopted this assumption in preparing the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2020 to the date of this report.

D Burton
D J Burton
D M Burton

FINANCIAL INSTRUMENTS

When we are exposed to currency exchange risk we apply appropriate forward contracts to hedge our exposure.

ENGAGEMENT WITH EMPLOYEES

It is company policy to maintain and develop employee involvement.

The directors are conscious that the expertise and dedication of our staff is the primary asset of the company. Regular meetings are held with employee representatives to discuss all aspects of the business and opportunities are given at these meetings for senior executives of the company to be questioned about matters which concern the employees.

Without the loyalty and commitment of all the people working in the company it would not have been possible to achieve the progress that has been made. The board is highly appreciative of this fact and would like to thank everyone for all their efforts.

DISABLED EMPLOYEES

The company gives full and fair consideration to applications for employment made by disabled persons, to the continued employment of existing staff who became disabled and to the training, career development and promotion of disabled persons having regard to the possible hazards associated with the work involved and to an individual's particular disability.

**Report of the Directors
for the Year Ended 30 September 2021**

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The Board recognises that it is essential to build relationships and partner with our customers, suppliers and strategic partners. We engage with these stakeholders in an honest and ethical manner, promoting transparency in all that we do. We look to partner with customers and suppliers who share our corporate philosophy and commit to ethical business practices in a wide variety of areas (such as health and safety, employment practices, anti-bribery laws and trade regulations). We maintain a good and constant level of communications with all key stakeholders, particularly our employees, customers and suppliers and keep abreast of all relevant legislation in order to understand the issues to which we must have regard and act upon.

The effect of such actions over the financial year has been primarily to protect the company's liquidity during the lockdown period through careful and proactive cash flow management whilst ensuring that none of the actions we took were of any detriment to stakeholders. Employees who were put on The Job Retention Scheme (Furlough) were paid on their usual pay dates such that they were able to honour their financial commitments as usual. No supplier payments were varied unless by express agreement with that supplier to ensure we did not put any suppliers in jeopardy in order to protect our own position.

STREAMLINED ENERGY AND CARBON REPORTING

The Company's greenhouse gas emissions, energy consumption and intensity ratios for the year are summarised as follows:

	2021 kWh	2021 t CO2e	2020 kWh	2020 t CO2e
Emissions from activities which the company own or control, including combustion of fuel and operation of facilities (Scope 1):	7,872,511	1,583	8,505,872	1,672
Emissions from purchase of electricity, heat, steam and cooling; purchased for own use (Scope 2):	3,668,275	778	3,360,755	784
Total Gross Scope 1 and Scope 2 emissions:	11,540,786	2,361	11,866,627	2,456
Intensity Ratios t CO2e/ Turnover £m		44.13		57.92
t CO2e/		5.19		5.16

All activities generating emissions are based in the UK, none are offshore.

Emissions stated above were calculated based on observed quantities of process inputs and conversion at the rates published within 'UK Government GHG Conversion Factors for Company Reporting' for 2021. Input observations were based, wherever practicable, on verifiable usage data. Where this proved impracticable, inputs were assessed through sampling of usage data and extrapolation based on costs incurred.

The directors are pleased with a reduction in overall emissions and progress on the t CO2e / Turnover intensity ratio. They note distortions in the relationship between average number of employees and activity levels felt throughout the 2020 response to Covid-19.

The key sources of emissions are gas, electricity and travel.

The company has continued its programme of phasing in LED lighting throughout workshops and offices, and has also increased the proportion of Hybrid or Electric vehicles within the company car pool. Data loggers are used to assess energy efficiency and this is a factor in any plant upgrade or replacement decisions.

**Report of the Directors
for the Year Ended 30 September 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 company and 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

D M Burton - Director

26 January 2022

Report of the Independent Auditors to the Members of Don-Bur (Holdings) Limited

Opinion

We have audited the financial statements of Don-Bur (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2021 and of the group's 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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Group 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 Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Don-Bur (Holdings) Limited

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 Group 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 seven, 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 the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Report of the Independent Auditors to the Members of Don-Bur (Holdings) Limited

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

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

Gary Chadwick (Senior Statutory Auditor)
for and on behalf of DJH Audit Limited
Statutory Auditors
The Glades
Festival Way
Stoke on Trent
Staffordshire
ST1 5SQ

26 January 2022

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Consolidated
Statement of Income and
Retained Earnings
for the Year Ended 30 September 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
TURNOVER	4		53,713		42,416
Cost of sales			<u>47,579</u>		<u>40,128</u>
GROSS PROFIT			6,134		2,288
Distribution costs		608		882	
Administrative expenses		<u>3,277</u>		<u>2,020</u>	
			<u>3,885</u>		<u>2,902</u>
			2,249		(614)
Other operating income	5		<u>284</u>		<u>1,820</u>
OPERATING PROFIT	8		2,533		1,206
Interest receivable and similar income	9		<u>148</u>		<u>18</u>
			2,681		1,224
Interest payable and similar expenses	10		<u>146</u>		<u>18</u>
PROFIT BEFORE TAXATION			2,535		1,206
Tax on profit	11		<u>573</u>		<u>267</u>
PROFIT FOR THE FINANCIAL YEAR			1,962		939
Retained earnings at beginning of year			13,396		12,687
Dividends	13		(540)		(230)
RETAINED EARNINGS FOR THE GROUP AT END OF YEAR			<u>14,818</u>		<u>13,396</u>
Profit attributable to: Owners of the parent			<u>1,962</u>		<u>939</u>

The notes form part of these financial statements

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Consolidated Balance Sheet
30 September 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
FIXED ASSETS					
Intangible assets	14		-		242
Tangible assets	15		8,652		8,711
Investments	16		-		-
			<u>8,652</u>		<u>8,953</u>
CURRENT ASSETS					
Stocks	17	8,780		5,462	
Debtors	18	14,080		8,687	
Cash in hand		<u>9,524</u>		<u>9,785</u>	
		32,384		23,934	
CREDITORS					
Amounts falling due within one year	19	<u>18,137</u>		<u>15,103</u>	
NET CURRENT ASSETS			<u>14,247</u>		<u>8,831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			22,899		17,784
CREDITORS					
Amounts falling due after more than one year	20		(5,712)		(2,070)
PROVISIONS FOR LIABILITIES	22		<u>(582)</u>		<u>(531)</u>
NET ASSETS			<u>16,605</u>		<u>15,183</u>
CAPITAL AND RESERVES					
Called up share capital	23		128		128
Capital redemption reserve	24		23		23
Other reserves	24		1,636		1,636
Retained earnings	24		<u>14,818</u>		<u>13,396</u>
			<u>16,605</u>		<u>15,183</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 January 2022 and were signed on its behalf by:

D M Burton - Director

Don-Bur (Holdings) Limited (Registered number: 03218454)**Company Balance Sheet
30 September 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
FIXED ASSETS					
Intangible assets	14		-		-
Tangible assets	15		306		306
Investments	16		<u>899</u>		<u>899</u>
			1,205		1,205
CURRENT ASSETS					
Debtors	18	578		268	
CREDITORS					
Amounts falling due within one year	19	<u>543</u>		<u>233</u>	
NET CURRENT ASSETS			<u>35</u>		<u>35</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,240</u>		<u>1,240</u>
CAPITAL AND RESERVES					
Called up share capital	23		128		128
Capital redemption reserve			23		23
Other reserves			787		787
Retained earnings			<u>302</u>		<u>302</u>
			<u>1,240</u>		<u>1,240</u>
Company's profit for the financial year			<u>540</u>		<u>230</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 26 January 2022 and were signed on its behalf by:

D M Burton - Director

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Consolidated Cash Flow Statement
for the Year Ended 30 September 2021**

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	1	1,053	5,698
Interest paid		(146)	(18)
Tax paid		(123)	(114)
Net cash from operating activities		<u>784</u>	<u>5,566</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(37)
Purchase of tangible fixed assets		(778)	(784)
Sale of tangible fixed assets		43	58
Interest received		148	18
Net cash from investing activities		<u>(587)</u>	<u>(745)</u>
Cash flows from financing activities			
Capital repayments in year		(363)	1,547
Amount introduced by directors		544	-
Amount withdrawn by directors		(234)	-
Capital receipts in the year		135	-
Equity dividends		(540)	(650)
Net cash from financing activities		<u>(458)</u>	<u>897</u>
(Decrease)/increase in cash and cash equivalents		<u>(261)</u>	<u>5,718</u>
Cash and cash equivalents at beginning of year	2	9,785	4,067
Cash and cash equivalents at end of year	2	<u>9,524</u>	<u>9,785</u>

The notes form part of these financial statements

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 September 2021**

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

	2021	2020
	£'000	£'000
Profit before taxation	2,535	1,206
Depreciation charges	1,041	770
Profit on disposal of fixed assets	(4)	(40)
Finance costs	146	18
Finance income	(148)	(18)
	<u>3,570</u>	<u>1,936</u>
Increase in stocks	(3,318)	(205)
(Increase)/decrease in trade and other debtors	(1,192)	618
Increase in trade and other creditors	<u>1,993</u>	<u>3,349</u>
Cash generated from operations	<u><u>1,053</u></u>	<u><u>5,698</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 September 2021

	30.9.21	1.10.20
	£'000	£'000
Cash and cash equivalents	<u>9,524</u>	<u>9,785</u>

Year ended 30 September 2020

	30.9.20	1.10.19
	£'000	£'000
Cash and cash equivalents	<u>9,785</u>	<u>4,067</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.10.20	Cash flow	At 30.9.21
	£'000	£'000	£'000
Net cash			
Cash at bank and in hand	<u>9,785</u>	<u>(261)</u>	<u>9,524</u>
	<u>9,785</u>	<u>(261)</u>	<u>9,524</u>
Debt			
Hire purchase and finance leases	<u>(2,434)</u>	<u>(3,973)</u>	<u>(6,407)</u>
	<u>(2,434)</u>	<u>(3,973)</u>	<u>(6,407)</u>
Total	<u><u>7,351</u></u>	<u><u>(4,234)</u></u>	<u><u>3,117</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2021**

1. STATUTORY INFORMATION

Don-Bur (Holdings) 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 General 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention modified to include a proportion of assets previously held at valuation.

The group's functional and presentational currency is GBP. Monetary amounts in these financial statements are presented in £ s.

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

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of the business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair value at the acquisition date. The results of acquired operations are included in the consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2015.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

2. ACCOUNTING POLICIES - continued

Revenue

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

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 the following conditions are satisfied:

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract and when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	- not amortised until development completed
Computer software	- 4 years on cost

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

2. ACCOUNTING POLICIES - continued

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.

Land is not depreciated. Depreciation on other assets 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 bases:

Freehold buildings	- fifty years on cost
Short-term leasehold property	- over the period of the lease
Plant and machinery	- two to ten years on cost
Fixtures and fittings	- two to ten years on cost

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.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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 first in, first out 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.

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.

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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

2. ACCOUNTING POLICIES - continued

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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

2. ACCOUNTING POLICIES - continued

Deferred tax

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.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. Once the development has been completed, the capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Foreign currencies

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'

Finance costs

Finance costs are charged to profit or loss 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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

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

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Leased assets: the Company as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

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.

Defined contribution pension plan

The Company operates 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 profit or loss 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.

Interest income

Interest income is recognised in profit or loss using the effective interest method.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Critical judgement in applying the company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition and modification provision

Expenditure was required in the year for rectification work carried out on goods supplied. In the light of problems identified, management was required to consider whether it was appropriate to recognise the revenue of these transactions. In line with the company's general policy of recognising revenue when goods are delivered it was felt to be appropriate to recognise the revenue.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the company's liability in respect of rectification work, and the agreed limitation on the customers' ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate modification provision totalling £320,000 for the rectification costs.

Stock provision

Estimates have been made in relation to the calculation of the stock provision. The calculation requires the company to estimate the net realisable value, in order to compare to cost in assessing if any provisions against stock are required. The carrying value of stock held at the balance sheet date was £8,780,000.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2021	2020
	£'000	£'000
Sale of goods	44,280	34,993
Rendering of services	<u>9,433</u>	<u>7,423</u>
	<u>53,713</u>	<u>42,416</u>

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

4. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £'000
United Kingdom	53,571	42,285
Europe	142	131
	<u>53,713</u>	<u>42,416</u>

5. OTHER OPERATING INCOME

	2021 £'000	2020 £'000
Other operating income	284	58
Government grants	-	1,762
	<u>284</u>	<u>1,820</u>

The Group furloughed certain staff under the Government's Coronavirus Job Retention Scheme (CJRS). The funding received of £Nil (2020 - £1,762,000) relates to claims made in respect of the year.

6. EMPLOYEES AND DIRECTORS

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

	2021 £'000	2020 £'000
Wages and salaries	12,889	12,573
Social security costs	1,045	1,182
Cost of defined contribution scheme	288	292
	<u>14,222</u>	<u>14,227</u>

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

	2021 No.	2020 No.
Number of production staff	393	418
Number of administrative staff	62	58
	<u>455</u>	<u>476</u>

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

7. DIRECTORS' EMOLUMENTS

	2021	2020
	£	£
Directors' remuneration	212	218
Director's pension contributions to defined contribution pension schemes	<u>15</u>	<u>16</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £82,000 (2020 - £85,000).

The value of the company's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £10,000 (2020 - £10,000).

8. OPERATING PROFIT

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

	2021	2020
	£'000	£'000
Hire of plant and machinery	310	42
Other operating leases	85	78
Depreciation - owned assets	799	735
Profit on disposal of fixed assets	(7)	(42)
Computer software amortisation	69	35
Auditors' remuneration	29	25
Other non- audit services	3	3
Foreign exchange differences	<u>11</u>	<u>4</u>

The consolidated operating profit is stated after charging:

	2021	2020
	£'000	£'000
Amortisation of intangible fixed assets	69	35
Depreciation of tangible fixed assets	799	735
Exchange differences	11	4
Other operating lease rentals	356	318
Defined contribution pension cost	287	289
Loss/(profit) on disposal of fixed assets	<u>(6)</u>	<u>(40)</u>

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Deposit account interest	3	18
Other interest receivable	<u>145</u>	<u>-</u>
	<u>148</u>	<u>18</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Bank loan interest	18	18
Other interest charged	<u>128</u>	<u>-</u>
	<u>146</u>	<u>18</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

11. TAXATION

Analysis of the tax charge

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

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	465	243
Deferred tax	<u>108</u>	<u>24</u>
Tax on profit	<u>573</u>	<u>267</u>

Reconciliation of total tax charge included in profit and loss

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

	2021 £'000	2020 £'000
Profit before tax	<u>2,535</u>	<u>1,206</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	482	229
Effects of:		
Expenses not deductible for tax purposes	2	23
Depreciation in excess of capital allowances	50	-
Adjustments to tax charge in respect of previous periods	(14)	-
Effect of deferred tax rate	-	15
Adjustments to deferred tax in respect of previous periods	<u>53</u>	<u>-</u>
Total tax charge	<u>573</u>	<u>267</u>

12. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

13. DIVIDENDS

	2021 £	2020 £
Dividends proposed	<u>540</u>	<u>230</u>
	<u>540</u>	<u>230</u>

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

14. INTANGIBLE FIXED ASSETS

Group

	Computer software £'000
COST	
At 1 October 2020	277
Impairments	(173)
At 30 September 2021	<u>104</u>
AMORTISATION	
At 1 October 2020	35
Amortisation for year	69
At 30 September 2021	<u>104</u>
NET BOOK VALUE	
At 30 September 2021	<u>-</u>
At 30 September 2020	<u>242</u>

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Short leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000	Totals £'000
COST					
At 1 October 2020	8,978	565	7,969	882	18,394
Additions	62	4	600	112	778
Disposals	-	-	(160)	-	(160)
At 30 September 2021	<u>9,040</u>	<u>569</u>	<u>8,409</u>	<u>994</u>	<u>19,012</u>
DEPRECIATION					
At 1 October 2020	2,151	540	6,398	594	9,683
Charge for year	128	2	587	82	799
Eliminated on disposal	-	-	(122)	-	(122)
At 30 September 2021	<u>2,279</u>	<u>542</u>	<u>6,863</u>	<u>676</u>	<u>10,360</u>
NET BOOK VALUE					
At 30 September 2021	<u>6,761</u>	<u>27</u>	<u>1,546</u>	<u>318</u>	<u>8,652</u>
At 30 September 2020	<u>6,827</u>	<u>25</u>	<u>1,571</u>	<u>288</u>	<u>8,711</u>

Included in cost of land and buildings is freehold land of £1,965,000 (2020 - £1,965,000) which is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £'000	2020 £'000
Plant and machinery	<u>677</u>	<u>899</u>
	<u>677</u>	<u>899</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

15. TANGIBLE FIXED ASSETS - continued

Group

Some land and buildings were revalued on 30 September 1998. The company had previously adopted the transitional provision of FRS 15 'Tangible Fixed Assets'. Whilst previous valuations have been retained, they have not been updated. From 1 October 1998 it is company policy not to revalue. No further adjustment has been made following the transition to FRS 102.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £'000	2020 £'000
Cost	8,285	8,223
Accumulated depreciation	<u>(2,047)</u>	<u>(1,919)</u>
	<u>6,238</u>	<u>6,304</u>

Company

	Freehold property £'000
COST	
At 1 October 2020 and 30 September 2021	<u>306</u>
NET BOOK VALUE	
At 30 September 2021	<u>306</u>
At 30 September 2020	<u>306</u>

Included in cost of land and buildings is freehold land of £ 306,000 (2020 - £ 306,000) which is not depreciated.

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

16. FIXED ASSET INVESTMENTS

	Investment in subsidiary undertaking £
Cost or valuation	
At 1 October 2020	1,771
At 30 September 2021	1,771
Impairment	
At 1 October 2020	872
At 30 September 2021	872
Net book value	
At 30 September 2021	899
At 30 September 2020	<u>899</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
	Commercial vehicle body builder and repairer, and trailer manufacturer		
Don-Bur (Bodies and Trailers) Limited		Ordinary	100%
Don-Bur (Service) Limited	Dormant	Ordinary	100%
Temperature Controlled Technology Limited	Dormant	Ordinary	100%

The aggregate of the share capital and reserves as at 30 September 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/ (Loss) £
Don-Bur (Bodies and Trailers) Limited	16,239	1,972
Don-Bur (Service) Limited	-	-
Temperature Controlled Technology Limited	-	-

17. STOCKS

	Group	
	2021 £'000	2020 £'000
Raw materials	3,559	2,020
Work-in-progress	5,220	3,392
Finished goods	1	50
	<u>8,780</u>	<u>5,462</u>

Don-Bur (Holdings) Limited (Registered number: 03218454)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

18. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	6,373	6,285	-	-
Amounts owed by group undertakings	-	-	578	268
Other debtors	618	243	-	-
Prepayments	<u>1,695</u>	<u>533</u>	<u>-</u>	<u>-</u>
	<u>8,686</u>	<u>7,061</u>	<u>578</u>	<u>268</u>
Amounts falling due after more than one year:				
Other debtors	<u>5,394</u>	<u>1,626</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>14,080</u>	<u>8,687</u>	<u>578</u>	<u>268</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Hire purchase contracts and finance leases (see note 21)	695	364	-	-
Trade creditors	10,410	7,957	(1)	(1)
Tax	572	230	-	-
Social security and other taxes	282	273	-	-
VAT	947	1,463	-	-
Other creditors	218	278	-	-
Directors' current accounts	544	234	544	234
Accrued expenses	<u>4,469</u>	<u>4,304</u>	<u>-</u>	<u>-</u>
	<u>18,137</u>	<u>15,103</u>	<u>543</u>	<u>233</u>

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

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

	Group	
	2021	2020
	£'000	£'000
Hire purchase contracts and finance leases (see note 21)	<u>5,712</u>	<u>2,070</u>

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts		Finance leases	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Net obligations repayable:				
Within one year	165	213	530	151
Between one and five years	268	444	2,320	666
In more than five years	-	-	3,124	960
	<u>433</u>	<u>657</u>	<u>5,974</u>	<u>1,777</u>

Group

	Non-cancellable	operating leases
	2021	2020
	£'000	£'000
Within one year	338	304
Between one and five years	651	812
In more than five years	775	840
	<u>1,764</u>	<u>1,956</u>

22. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£'000	£'000
Deferred tax	<u>262</u>	<u>154</u>
Other provisions	<u>320</u>	<u>377</u>
Aggregate amounts	<u>582</u>	<u>531</u>
Group		
	Deferred tax	Modifications provision
	£'000	£'000
Balance at 1 October 2020	154	377
Charge/(credit) to Income Statement during year	108	(57)
Balance at 30 September 2021	<u>262</u>	<u>320</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2021**

23. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Allotted, called up and fully paid		
90,500 (2020 - 90,500) Ordinary shares of £1.00 each	91	91
1,000 (2020 - 1,000) 'B' Ordinary shares of £1.00 each	1	1
18,000 (2020 - 18,000) 'C' Ordinary shares of £1.00 each	18	18
18,000 (2020 - 18,000) 'D' Ordinary shares of £1.00 each	18	18
	128	128

All shares are eligible to receive dividends when declared and have full voting rights and full entitlement to return upon winding up or other distribution.

24. RESERVES

Capital redemption reserves

The capital redemption reserve records the nominal value of shares repurchased by the company.

Merger reserve

The merger reserve arose on the business acquisition and present the difference of the nominal value of shares over the shares acquired.

Profit and loss account

The profit and loss account reserves relate to the accumulated results of the business, less dividends declared and adjusted for transfers to/from other reserves.

25. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £287,000 (2020 - £289,000). Contributions totalling £63,000 (2020 - £57,000) were payable to the fund at the balance sheet date and are included in creditors.

26. RELATED PARTY DISCLOSURES

During the year wages of £170,070 (2020 - £342,085) and expenses of £Nil (2020 - £1,893) were paid on behalf of a company under common control of three Directors and re-charged to the company. Net receipts of £166,873 (2020 - £355,829) have been received from the related party during the year. At the balance sheet date there was no balance due to or from the related party (2020 - £3,197 due to the company)

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the group is D Burton.

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