

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2022  
for  
Jaines & Son (Grimsby) Limited

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for the Year Ended 31 December 2022

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Jaines & Son (Grimsby) Limited

Company Information  
for the Year Ended 31 December 2022

**DIRECTORS:**

Mrs B A Sparkes  
G Olley  
S M Little  
K Holness  
C P Sparkes  
M G Woods

**SECRETARY:**

Mrs B A Sparkes

**REGISTERED OFFICE:**

Kemp Road  
Fish Docks  
Grimsby  
North East Lincs  
DN31 3SY

**REGISTERED NUMBER:**

00438850 (England and Wales)

**AUDITORS:**

Haines Watts, Chartered Accountants  
117 - 119 Cleethorpe Road  
Grimsby  
North East Lincs  
DN31 3ET

Strategic Report  
for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

**REVIEW OF BUSINESS**

Along with the existing business Jaines have continued to work hard to develop long-term strategic partnerships with new and existing customers. This has helped for a robust and solid platform in the shape of a joined-up approach of supplier and customer end consumer collaboration. Being on the bottom rung of the long-term planning ladder cements good understanding and builds trust, confidence and helps the management team continue development. In short, a recently new and ever developing approach in our food service supply strategy. Continual investment in the processing development to help cope with the challenges of seasonal demand has helped meet increases for product and the ability to react to price variations. Turnover expected to hold steady through the forthcoming year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Brexit legacy is continuing to bring challenges in the shape of increased levy uncertainties and supply of raw materials. Strong bonds with suppliers have been advantageous in the way of addressing any legislation understanding and keeping supply in a healthy position, this along with prompt payment of suppliers is a positive influence regarding our raw material procurement. Any risk is still a major priority and is continually monitored by management to enable any required actions or adjustments to procedures and protocols.

Credit risk management is underpinned by insured limits on all customers. Payment performances are monitored, and supply levels measured in respect to performance. All new customers have now signed agreements within the credit system promoting best practice regarding account management. This year has seen a shift in strategy towards customers in the form of removing some erratic and slow paying accounts. This strategic action is designed to reduce risk and increase efforts to grow the stronger account base and expected profitability.

**KEY PERFORMANCE INDICATORS**

Directors and senior management are all focused on the KPI's of the business and believe that the monitoring of these KPI's is an effective way to review the business performance.

Financial performance indicators include: Sales, gross profit and profit before tax. Stock and debtors levels are also closely monitored.

	2022	2021
	£	£
Turnover	21,553,248	17,902,727
Profit before tax	342,288	372,632

Non-financial performance indicators are supplier and customer satisfaction and continued adherence to the legislation that surrounds the industry.

**ON BEHALF OF THE BOARD:**

C P Sparkes - Director

13 September 2023

Report of the Directors  
for the Year Ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of wholesaler of fish.

**DIVIDENDS**

Interim dividends per share were paid as follows:

33.77	- 1 January 2022
38.53	- 6 April 2022
<u>72.30</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2022 will be £ 144,605 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mrs B A Sparkes  
G Olley  
S M Little  
K Holness  
C P Sparkes  
M G Woods

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**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 company'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 company's auditors are aware of that information.

Jaines & Son (Grimsby) Limited (Registered number: 00438850)

Report of the Directors  
for the Year Ended 31 December 2022

**AUDITORS**

The auditors, Haines Watts, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

C P Sparkes - Director

13 September 2023

## Report of the Independent Auditors to the Members of Jaines & Son (Grimsby) Limited

### **Opinion**

We have audited the financial statements of Jaines & Son (Grimsby) Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the 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 company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**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:

Through discussion with management and those charged with governance we gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates, and considered the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud. During the engagement team briefing we communicated the identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, UK GAAP (FRS102), the Companies Act 2006, tax legislations and food safety standards legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We evaluated management's incentives and opportunities for fraudulent manipulations of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates.



Report of the Independent Auditors to the Members of  
Jaines & Son (Grimsby) Limited

Audit procedures undertaken in response to the potential risk relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation claims;
- review of journal entries posted with unusual account combinations or posted by senior management;
- reviewing accounting estimates for bias;
- performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

The likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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](http://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.

Jennifer Toulson FCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts, Chartered Accountants  
117 - 119 Cleethorpe Road  
Grimsby  
North East Lincs  
DN31 3ET

13 September 2023

Income Statement  
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
<b>TURNOVER</b>		21,553,248	17,902,727
Cost of sales		<u>19,707,073</u>	<u>16,496,463</u>
<b>GROSS PROFIT</b>		1,846,175	1,406,264
Administrative expenses		<u>1,482,211</u>	<u>1,369,696</u>
		363,964	36,568
Other operating income		<u>22,916</u>	<u>357,798</u>
<b>OPERATING PROFIT</b>	4	386,880	394,366
Interest receivable and similar income		<u>8,650</u>	<u>10,699</u>
		395,530	405,065
Interest payable and similar expenses	5	<u>53,242</u>	<u>32,433</u>
<b>PROFIT BEFORE TAXATION</b>		342,288	372,632
Tax on profit	6	<u>89,063</u>	<u>75,982</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>253,225</u>	<u>296,650</u>

Other Comprehensive Income  
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
<b>PROFIT FOR THE YEAR</b>		253,225	296,650
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>FOR THE YEAR</b>		<u>253,225</u>	<u>296,650</u>

**Balance Sheet**  
**31 December 2022**

	Notes	31.12.22 £	£	31.12.21 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		86,000		129,000
Tangible assets	9		<u>445,014</u>		<u>480,000</u>
			531,014		609,000
<b>CURRENT ASSETS</b>					
Stocks	10	246,998		514,150	
Debtors	11	2,055,469		1,621,489	
Cash at bank		<u>486,562</u>		<u>307,947</u>	
		2,789,029		2,443,586	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,737,546</u>		<u>1,491,430</u>	
<b>NET CURRENT ASSETS</b>			<u>1,051,483</u>		<u>952,156</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,582,497		1,561,156
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(221,430)		(300,663)
<b>PROVISIONS FOR LIABILITIES</b>	17		(51,728)		(44,431)
<b>ACCRUALS AND DEFERRED INCOME</b>	18		(51,976)		(67,319)
<b>NET ASSETS</b>			<u>1,257,363</u>		<u>1,148,743</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		2,000		2,000
Retained earnings			<u>1,255,363</u>		<u>1,146,743</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,257,363</u>		<u>1,148,743</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13 September 2023 and were signed on its behalf by:

C P Sparkes - Director

Statement of Changes in Equity  
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	2,000	958,204	960,204
<b>Changes in equity</b>			
Dividends	-	(108,111)	(108,111)
Total comprehensive income	-	296,650	296,650
<b>Balance at 31 December 2021</b>	<u>2,000</u>	<u>1,146,743</u>	<u>1,148,743</u>
<b>Changes in equity</b>			
Dividends	-	(144,605)	(144,605)
Total comprehensive income	-	253,225	253,225
<b>Balance at 31 December 2022</b>	<u>2,000</u>	<u>1,255,363</u>	<u>1,257,363</u>

**Cash Flow Statement**  
**for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	561,547	294,837
Interest paid		(50,588)	(30,726)
Interest element of hire purchase and finance lease rental payments paid		(2,654)	(1,707)
Tax paid		(38,797)	(91,701)
Net cash from operating activities		<u>469,508</u>	<u>170,703</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(25,292)	(69,241)
Sale of tangible fixed assets		1,750	-
Interest received		8,650	10,699
Net cash from investing activities		<u>(14,892)</u>	<u>(58,542)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	50,000
Loan repayments in year		(142,189)	(98,274)
Capital repayments in year		12,605	(4,920)
Amount introduced by directors		144,606	108,112
Amount withdrawn by directors		(146,418)	(158,254)
Equity dividends paid		(144,605)	(108,111)
Net cash from financing activities		<u>(276,001)</u>	<u>(211,447)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>178,615</u>	<u>(99,286)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	307,947	407,233
<b>Cash and cash equivalents at end of year</b>	2	<u>486,562</u>	<u>307,947</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 December 2022

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

	31.12.22	31.12.21
	£	£
Profit before taxation	342,288	372,632
Depreciation charges	131,079	99,414
Profit on disposal of fixed assets	(1,407)	-
Government grants	(15,343)	(15,343)
Finance costs	53,242	32,433
Finance income	(8,650)	(10,699)
	<u>501,209</u>	<u>478,437</u>
Decrease/(increase) in stocks	267,152	(326,220)
Increase in trade and other debtors	(431,365)	(292,506)
Increase in trade and other creditors	<u>224,551</u>	<u>435,126</u>
<b>Cash generated from operations</b>	<u><u>561,547</u></u>	<u><u>294,837</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 31 December 2022**

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>486,562</u>	<u>307,947</u>

**Year ended 31 December 2021**

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>307,947</u>	<u>407,233</u>

Notes to the Cash Flow Statement  
for the Year Ended 31 December 2022

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

	At 1.1.22 £	Cash flow £	Other non-cash changes £	At 31.12.22 £
<b>Net cash</b>				
Cash at bank	<u>307,947</u>	<u>178,615</u>		<u>486,562</u>
	<u>307,947</u>	<u>178,615</u>		<u>486,562</u>
<b>Debt</b>				
Hire purchase and finance leases	(2,558)	(12,605)	-	(43,307)
Debts falling due within 1 year	(195,946)	36,404	-	(159,542)
Debts falling due after 1 year	<u>(300,663)</u>	<u>105,785</u>	-	<u>(194,878)</u>
	<u>(499,167)</u>	<u>129,584</u>	-	<u>(397,727)</u>
<b>Total</b>	<u>(191,220)</u>	<u>308,199</u>	-	<u>88,835</u>



Notes to the Financial Statements  
for the Year Ended 31 December 2022

1. **STATUTORY INFORMATION**

Jaines & Son (Grimsby) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

**Significant judgements and estimates**

In applying the company's accounting policies set out below management is required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary. The estimates and judgements that have most significant effect on the amounts included in these financial statements are as follows:

- **Goodwill amortisation policy**

Amortisation is provided so as to write down the goodwill over the estimated useful life as set out in the company's accounting policy. The selection of the estimated useful life requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then amortisation charges in the financial statements would increase and the carrying amount of the goodwill would reduce accordingly.

- **Useful lives of plant and equipment**

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated useful lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly.

- **Trade debtors**

The company reviews the recoverability of trade debtors and makes allowances for doubtful debts where considered appropriate. If there is evidence of impairment the carrying amount of the debtor is reduced to its recoverable amount., The impairment loss is recognised immediately in the income statement.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, Value Added Tax (VAT) and other sales related taxes.

Sales of goods are recognised when goods are dispatched and title has passed, and to the extent that sales are invoiced in advance of delivery, income is deferred.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2019, will be amortised evenly over its estimated useful life of five years.

**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 finance lease, over the lease term, whichever is shorter.

- |                     |   |                                                        |
|---------------------|---|--------------------------------------------------------|
| Freehold property   | - | in accordance with the property                        |
| Plant and machinery | - | 25% on reducing balance or straight line over 15 years |

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items. Cost is calculated at an average cost basis.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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.

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Going concern**

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

**Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

3. **EMPLOYEES AND DIRECTORS**

	31.12.22	31.12.21
	£	£
Wages and salaries	2,136,747	1,994,147
Social security costs	228,035	201,632
Other pension costs	58,608	57,120
	<u>2,423,390</u>	<u>2,252,899</u>

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

	31.12.22	31.12.21
Directors	6	6
Admin	3	4
Sales	4	2
Production	38	50
Technical	2	2
	<u>53</u>	<u>64</u>

	31.12.22	31.12.21
	£	£
Directors' remuneration	268,338	287,632
Directors' pension contributions to money purchase schemes	<u>21,156</u>	<u>21,169</u>

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

Money purchase schemes	<u>6</u>	<u>6</u>
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Information regarding the highest paid director is as follows:

	31.12.22	31.12.21
	£	£
Emoluments etc	87,061	101,972
Pension contributions to money purchase schemes	<u>1,321</u>	<u>1,345</u>

4. **OPERATING PROFIT**

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

	31.12.22	31.12.21
	£	£
Other operating leases	109,791	66,306
Depreciation - owned assets	54,304	55,402
Depreciation - assets on hire purchase contracts and finance leases	33,775	1,012
Profit on disposal of fixed assets	(1,407)	-
Goodwill amortisation	43,000	43,000
Auditors' remuneration	10,395	9,450
Auditors' remuneration for non audit work	-	468
Government grants	<u>(20,343)</u>	<u>(351,714)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

4. **OPERATING PROFIT - continued**

Government grants represent a deferred grant relating to the purchase of plant and machinery being released over the useful economic life of the asset.

Government grants in the prior year represent Coronavirus Job Retention Scheme grants received in respect of furloughed employees and a deferred grant relating to the purchase of plant and machinery being released over the useful economic life of the asset.

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.22	31.12.21
	£	£
Bank loan interest	4,873	2,046
Factoring interest	32,030	28,680
Interest on corporation tax	1,470	-
Other loan interest	12,215	-
Hire purchase	485	1,164
Leasing	2,169	543
	<u>53,242</u>	<u>32,433</u>

6. **TAXATION**

**Analysis of the tax charge**

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

	31.12.22	31.12.21
	£	£
Current tax:		
UK corporation tax	81,766	75,638
Deferred tax	7,297	344
Tax on profit	<u>89,063</u>	<u>75,982</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:

	31.12.22	31.12.21
	£	£
Profit before tax	<u>342,288</u>	<u>372,632</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	65,035	70,800
Effects of:		
Expenses not deductible for tax purposes	513	390
Depreciation in excess of capital allowances	23,515	4,792
Total tax charge	<u>89,063</u>	<u>75,982</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

7. **DIVIDENDS**

	31.12.22	31.12.21
	£	£
Ordinary shares of £1 each		
Interim dividends	<u>144,605</u>	<u>108,111</u>

8. **INTANGIBLE FIXED ASSETS**

	Goodwill
	£
<b>COST</b>	
At 1 January 2022	
and 31 December 2022	<u>215,002</u>
<b>AMORTISATION</b>	
At 1 January 2022	86,002
Amortisation for year	43,000
At 31 December 2022	<u>129,002</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>86,000</u>
At 31 December 2021	<u>129,000</u>

9. **TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 January 2022	505,864	423,428	929,292
Additions	-	53,436	53,436
Disposals	-	(1,630)	(1,630)
At 31 December 2022	<u>505,864</u>	<u>475,234</u>	<u>981,098</u>
<b>DEPRECIATION</b>			
At 1 January 2022	213,684	235,608	449,292
Charge for year	26,533	61,546	88,079
Eliminated on disposal	-	(1,287)	(1,287)
At 31 December 2022	<u>240,217</u>	<u>295,867</u>	<u>536,084</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>265,647</u>	<u>179,367</u>	<u>445,014</u>
At 31 December 2021	<u>292,180</u>	<u>187,820</u>	<u>480,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

9. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Plant and machinery £
<b>COST</b>	
At 1 January 2022	15,171
Additions	28,144
Transfer to ownership	(15,171)
Reclassification/transfer	56,740
At 31 December 2022	<u>84,884</u>
<b>DEPRECIATION</b>	
At 1 January 2022	2,613
Charge for year	33,775
Transfer to ownership	(2,613)
Reclassification/transfer	11,673
At 31 December 2022	<u>45,448</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>39,436</u>
At 31 December 2021	<u>12,558</u>

10. **STOCKS**

	31.12.22 £	31.12.21 £
Finished goods	<u>246,998</u>	<u>514,150</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22 £	31.12.21 £
Trade debtors	1,426,095	999,259
Other debtors	115,955	105,111
Directors' loan accounts	464,887	462,272
VAT	41,624	46,927
Prepayments and accrued income	6,908	7,920
	<u>2,055,469</u>	<u>1,621,489</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22	31.12.21
	£	£
Bank loans and overdrafts (see note 14)	117,799	117,799
Other loans (see note 14)	41,743	78,147
Hire purchase contracts and finance leases (see note 15)	16,755	2,558
Trade creditors	1,250,718	986,629
Corporation tax	118,607	75,638
Social security and other taxes	51,230	51,826
Other creditors	107,228	145,148
Directors' loan accounts	803	-
Accruals and deferred income	32,663	33,685
	<u>1,737,546</u>	<u>1,491,430</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.22	31.12.21
	£	£
Bank loans (see note 14)	104,436	216,411
Other loans (see note 14)	90,442	84,252
Hire purchase contracts and finance leases (see note 15)	26,552	-
	<u>221,430</u>	<u>300,663</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.22	31.12.21
	£	£
Amounts falling due within one year or on demand:		
Bank loans	117,799	117,799
Other loans	41,743	78,147
	<u>159,542</u>	<u>195,946</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	104,436	216,411
Other loans - 1-2 years	90,442	84,252
	<u>194,878</u>	<u>300,663</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

15. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Gross obligations repayable:				
Within one year	-	2,558	21,523	-
Between one and five years	-	-	30,567	-
	<u>-</u>	<u>2,558</u>	<u>52,090</u>	<u>-</u>
Finance charges repayable:				
Within one year	-	-	4,768	-
Between one and five years	-	-	4,015	-
	<u>-</u>	<u>-</u>	<u>8,783</u>	<u>-</u>
Net obligations repayable:				
Within one year	-	2,558	16,755	-
Between one and five years	-	-	26,552	-
	<u>-</u>	<u>2,558</u>	<u>43,307</u>	<u>-</u>
			Non-cancellable operating leases	
			31.12.22	31.12.21
			£	£
Within one year			53,585	55,480
Between one and five years			48,057	55,910
			<u>101,642</u>	<u>111,390</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.22	31.12.21
	£	£
Bank loans	222,235	334,210
Other loans	132,185	162,399
Hire purchase contracts and finance leases	43,307	2,558
	<u>397,727</u>	<u>499,167</u>

The hire purchase contracts and finance leases are secured on the assets that have been financed.

HSBC Bank PLC holds a debenture including fixed charge over all present freehold and leasehold property; first charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future.

20% of the CBILS loan is secured by the company.



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

17. **PROVISIONS FOR LIABILITIES**

	31.12.22	31.12.21
	£	£
Deferred tax	<u>51,728</u>	<u>44,431</u>
		Deferred tax
		£
Balance at 1 January 2022		44,431
Provided during year		<u>7,297</u>
Balance at 31 December 2022		<u>51,728</u>

18. **ACCRUALS AND DEFERRED INCOME**

	31.12.22	31.12.21
	£	£
Deferred government grants	<u>51,976</u>	<u>67,319</u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.22	31.12.21
			£	£
2,000	Ordinary	£1	<u>2,000</u>	<u>2,000</u>

20. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2022 and 31 December 2021:

	31.12.22	31.12.21
	£	£
Balance outstanding at start of year	462,271	412,130
Amounts advanced	146,417	158,251
Amounts repaid	(143,801)	(108,110)
Balance outstanding at end of year	464,887	462,271

21. **ULTIMATE CONTROLLING PARTY**

The controlling party is C P Sparkes.

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