

**THE LONG RAKE SPAR COMPANY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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THE LONG RAKE SPAR COMPANY LIMITED

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COMPANY INFORMATION

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<b>Directors</b>	T Broadhurst S Hill K A Dean A H Smith D Travis (appointed 18 September 2023)
<b>Company secretary</b>	J C Parkhouse
<b>Registered number</b>	00666952
<b>Registered office</b>	Long Rake Middleton-By-Youlgrave Bakewell Derbyshire DE45 1LW
<b>Independent auditors</b>	Shorts Chartered Accountants & Statutory Auditor 2 Ashgate Road Chesterfield Derbyshire S40 4AA
<b>Bankers</b>	National Westminster Bank plc

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THE LONG RAKE SPAR COMPANY LIMITED

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Introduction**

The directors are pleased to present their Strategic Report for the year ended 31 March 2023.

**Business review**

During the year demand for our products fell significantly due to our distributor customers starting the financial year with high stocks together with a marked reduction in consumer spend due to reduction in consumer confidence and disposable incomes. Revenues fell from £35.1m to £28.3m, and consequently PBT fell from £4.6m to £0.5m.

The year-end cash position reduced only marginally from £4.1m to £3.9m; Stock levels decreasing from £6.7m to £6.4m. Stocks have been retained at historic levels despite a reduced turnover due to uncertainties in the supply chain. Capital spend reduced to £1,105,720 as expenditure on our new sites (Rye and Garston) reduced.

Demand for our products in the new 2023-2024 financial year to date has been strong with some record numbers seen in the first quarter. There does however remain economic uncertainty for the remainder of the year.

**Principal risks and uncertainties**

The Board is ultimately responsible for risk management and continues to develop policies and procedures that reflect the nature and scale of the Company's business. The board has identified the following key areas of risk to the business:

Credit risk - the potential exposure to loss in event of non-performance by a third party. The company controls the risk through credit approval limits. The largest customer represents 9.5% of turnover.

Economic conditions - demand for our products and services is closely linked to the UK general economic conditions. Depressed economic conditions could impact on demand for our products.

Raw material prices - any significant increase in raw material prices could affect the Company's performance to the extent that they are not recovered through price increases.

Competitor activity - a failure to compete with competitors on price, product range, quality and service could have an impact on the Company's financial results.

Foreign exchange risk - the group uses foreign currency contracts and holds euros on deposit to reduce the exposure to a fall in the value of sterling against the euro.

Health and safety remains a core to the Company's business. No health and safety lost days were reported in the period.

Long term growth of the business depends on the Company's ability to retain and attract personnel of high quality. The risk is managed by the implementation of attractive career and remuneration structures.

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## THE LONG RAKE SPAR COMPANY LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### **Directors' statement of compliance with duty to promote the success of the Company**

##### **Long Rake Spar Co Ltd: Stakeholder Engagement**

As the Board at Long Rake Spar Co. Ltd we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the Company's success for the benefit of its members, and to have regard to the long-term effect of our decisions on the company and its stakeholders. The statement below addresses the ways in which we as a Board execute this responsibility.

##### **Promoting the company's success for its members**

Long Rake Spar Co. Ltd is one of the largest decorative aggregate suppliers in the UK and proudly benefits from a long-standing reputation for offering the highest level of service to our varied customer base. Our structure promotes locally based depots in areas of the UK to provide a quality assured level of service to our valued customers utilising locally employed expertise, and to minimise haulage costs / environmental impact. We can demonstrate industry leading levels of customer service.

##### **Engaging with stakeholders**

###### **Employees**

We regard our employees as our most valuable asset and as an organisation we work hard to maintain a motivated and experienced workforce that in turn offers the highest standard of service to our customers. We maintain long term training programmes for our staff which are conducted on a local and national basis utilising the knowledge and expertise of our supplier and externally sourced professionals.

We also retain a strong ethic of internal promotion and career progression and actively recognise employee success and loyalty.

We recognise the importance of communication with our employees, and we actively seek opportunities to engage with our staff. We welcome feedback from all our employees and listen carefully to any suggestions or proposals of how we can improve the way we work.

###### **Customer and Suppliers**

We maintain a policy of limiting our purchases to carefully chosen suppliers where a mutually beneficial business relationship can be maintained.

Our suppliers are expected to provide products of the highest quality which meet all recognised industry legislation and standards in addition to reaching and maintaining our own expectation of quality of service, competitiveness, and social responsibility.

We are committed to maintain the highest levels of ethical and moral fairness in all our business practices to ensure compliance with all current relevant law and regulation, in addition to the expectation and requirements of our trading partners.

We successfully achieved the industry recognised standard of BS9001 in 2019 and have since maintained recognition at all our audited sites. We believe that this is a strong indicator of our commitment of the highest possible standards of service to all our customers.

###### **Environment**

We recognise the need to constantly review and where possible minimise the impact on the environment caused by our operation. We carefully select the most efficient and economical vehicles and are currently in the process of renewing all car leases to fully electric or hybrid vehicles to reduce fuel consumption and emissions.

We promote the use of recyclable materials for packaging and maintain a policy of improvement to minimise energy use. We strive to ensure that all our operations run safely and energy efficiently.



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**THE LONG RAKE SPAR COMPANY LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Community**

We aim to minimise our operational impact whilst proving a positive contribution to the local communities in which we operate.

We encourage local recruitment and foster relationships with local educational establishments. The Group often offers support towards many fundraising activities conducted by employees and suppliers.

This report was approved by the board on 17 November 2023 and signed on its behalf.

**T Broadhurst**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the financial statements for the year ended 31 March 2023.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 to 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £500,890 (2022 - £3,511,550).

**Directors**

The directors who served during the year were:

T Broadhurst  
S Hill  
K A Dean  
A H Smith  
P O'Nyons (resigned 30 November 2022)

**Qualifying third party indemnity provisions**

The directors have been granted a qualifying third party indemnity provision under Section 234 of the Companies Act 2006. The indemnity does not provide cover in the event of a director being proven to have acted fraudulently or dishonestly.



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**THE LONG RAKE SPAR COMPANY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditors, Shorts, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 November 2023 and signed on its behalf.

**T Broadhurst**

Director

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONG RAKE SPAR COMPANY LIMITED

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**Opinion**

We have audited the financial statements of The Long Rake Spar Company Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 March 2023 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 United Kingdom, including the Financial Reporting Council'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONG RAKE SPAR COMPANY LIMITED (CONTINUED)

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONG RAKE SPAR COMPANY LIMITED (CONTINUED)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- through discussions with the directors and other management and from our commercial knowledge and experience of the clients business, we identified the laws and regulations applicable to the Company; and
- focusing on the specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, we assessed the extent of compliance with those laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

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;
- reviewed the general ledger entries during the year to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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;
- considering relationships with HMRC and other relevant regulators; and
- reviewing legal and professional costs to identify any indicators of litigation

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## THE LONG RAKE SPAR COMPANY LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONG RAKE SPAR COMPANY LIMITED (CONTINUED)

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### Use of our report

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

Andrew Irvine (Senior Statutory Auditor)

for and on behalf of

**Shorts**

Chartered Accountants  
Statutory Auditor

2 Ashgate Road  
Chesterfield  
Derbyshire  
S40 4AA

17 November 2023

THE LONG RAKE SPAR COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	28,320,832	35,127,811
Cost of sales		(22,188,202)	(25,253,740)
<b>Gross profit</b>		<b>6,132,630</b>	<b>9,874,071</b>
Administrative expenses		(5,546,546)	(5,252,469)
Other operating income	5	3,720	4,946
<b>Operating profit</b>	7	<b>589,804</b>	<b>4,626,548</b>
Interest receivable and similar income	10	6,822	417
Interest payable and similar expenses	11	(83,060)	(35,150)
<b>Profit before tax</b>		<b>513,566</b>	<b>4,591,815</b>
Tax on profit	12	(12,676)	(1,080,265)
<b>Profit for the financial year</b>		<b>500,890</b>	<b>3,511,550</b>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

**THE LONG RAKE SPAR COMPANY LIMITED**  
**REGISTERED NUMBER: 00666952**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	13	-	-
Tangible assets	14	6,981,239	6,893,970
Investments	15	100,100	100,100
		<u>7,081,339</u>	<u>6,994,070</u>
<b>Current assets</b>			
Stocks	16	6,415,975	6,678,291
Debtors: amounts falling due within one year	17	4,619,536	7,857,891
Cash at bank and in hand	18	3,874,859	4,078,050
		<u>14,910,370</u>	<u>18,614,232</u>
Creditors: amounts falling due within one year	19	(3,661,047)	(5,470,512)
<b>Net current assets</b>		<u>11,249,323</u>	<u>13,143,720</u>
<b>Total assets less current liabilities</b>		<u>18,330,662</u>	<u>20,137,790</u>
Creditors: amounts falling due after more than one year	20	(1,890,537)	(2,051,810)
<b>Provisions for liabilities</b>			
Deferred tax	23	(1,125,104)	(1,165,517)
<b>Net assets</b>		<u><u>15,315,021</u></u>	<u><u>16,920,463</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	6,000	6,000
Share premium account	25	34,607	34,607
Revaluation reserve	25	727,443	728,338
Profit and loss account	25	14,546,971	16,151,518
		<u><u>15,315,021</u></u>	<u><u>16,920,463</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 November 2023.

**T Broadhurst**

Director

The notes on pages 13 to 28 form part of these financial statements.

THE LONG RAKE SPAR COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2021</b>	<b>6,000</b>	<b>34,607</b>	<b>729,233</b>	<b>14,389,073</b>	<b>15,158,913</b>
Profit for the year	-	-	-	3,511,550	3,511,550
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,511,550</b>	<b>3,511,550</b>
Dividends: Equity capital	-	-	-	(1,750,000)	(1,750,000)
Transfer to/from profit and loss account	-	-	(895)	895	-
<b>At 1 April 2022</b>	<b>6,000</b>	<b>34,607</b>	<b>728,338</b>	<b>16,151,518</b>	<b>16,920,463</b>
Profit for the year	-	-	-	500,890	500,890
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(2,106,332)	(2,106,332)
Transfer to/from profit and loss account	-	-	(895)	895	-
<b>At 31 March 2023</b>	<b>6,000</b>	<b>34,607</b>	<b>727,443</b>	<b>14,546,971</b>	<b>15,315,021</b>

The notes on pages 13 to 28 form part of these financial statements.



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## THE LONG RAKE SPAR COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 1. General information

Long Rake Spar Company Limited is a private company limited by shares, incorporated in England and Wales (registered number: 00666952). Its registered office is Long Rake, Middleton-By-Youlgreave, Bakewell, Derbyshire, DE45 1LW. The principal activity throughout the year continued to be that of the processing and sale of calcite spar and the merchandising of other decorative aggregates.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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:

##### 2.2 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

##### 2.3 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentation currency is pounds sterling.

###### 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.4 Revenue**

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 of the following conditions are satisfied:

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

**2.5 Operating leases: the Company as lessee**

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

**2.6 Leased assets: the Company as lessee**

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.

**2.7 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.

**2.8 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.9 Pensions**

**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.

**2.10 Current and deferred taxation**

Tax is recognised in the Statement of income and retained earnings.

The current 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.

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 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.

**2.11 Intangible assets**

Intangible assets, including goodwill 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 and are amortised on the straight line basis over the length of that life. If a reliable estimate of useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5	years
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.12 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, as follows.

The depreciation rates used are:

Freehold property	- 2.5% straight line on buildings only
Plant and machinery	- 10% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

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 profit or loss.

**2.13 Revaluation of tangible fixed assets**

Individual freehold properties are carried at fair value at the date of the revaluation, plus any subsequent additions stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Company has taken advantage of the transitional provision in paragraph 35.10 (d) of FRS 102 to use the previous GAAP revaluation of freehold property as its deemed cost at the revaluation date. Hence freehold property is no longer stated under the revaluation model, but is deemed to be measured under the cost model as described in section 17 of FRS 102.

**2.14 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.15 Stocks**

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.16 Debtors**

Short-term debtors are measured at transaction price, less any impairment.

**2.17 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.

**2.18 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.

**2.19 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as bank and cash balances, trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the transaction price 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, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.20 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.

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THE LONG RAKE SPAR COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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3. Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the greatest level of uncertainty are addressed below:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. The amount of trade debtors after making such provision was £4,354,718 (2022: £5,767,771).

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Sale of goods	<u>28,320,832</u>	<u>35,127,811</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	28,062,014	34,636,925
Rest of Europe	197,010	397,581
Rest of the world	61,808	93,304
	<u>28,320,832</u>	<u>35,127,810</u>

5. Other operating income

	2023 £	2022 £
Insurance claims receivable	-	3,793
Sundry income	3,720	1,153
	<u>3,720</u>	<u>4,946</u>

**THE LONG RAKE SPAR COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**6. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>16,775</u>	<u>15,250</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

**7. Operating profit**

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation	606,147	520,667
Exchange differences	(176,992)	(206,490)
Other operating lease rentals	43,400	40,000
Pension costs	<u>82,681</u>	<u>111,199</u>

**8. Employees**

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

	2023 £	2022 £
Wages and salaries	3,488,206	3,529,458
Cost of defined contribution scheme	82,681	111,199
	<u>3,570,887</u>	<u>3,640,657</u>

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

	2023 No.	2022 No.
Production	56	54
Administration	41	36
	<u>97</u>	<u>90</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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9. Directors' remuneration

	2023 £	2022 £
Directors salaries	194,007	231,014
Company contributions to defined contribution pension schemes	3,521	5,210
	<u>197,528</u>	<u>236,224</u>

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

10. Interest receivable

	2023 £	2022 £
Other interest receivable	<u>6,822</u>	<u>417</u>

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	83,060	33,172
Hire purchase interest payable	-	1,978
	<u>83,060</u>	<u>35,150</u>



THE LONG RAKE SPAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

12. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	53,089	482,179
Adjustments in respect of previous periods	-	18,615
<b>Total current tax</b>	<b>53,089</b>	<b>500,794</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(40,413)	587,200
Movement in provisions	-	(7,729)
<b>Total deferred tax</b>	<b>(40,413)</b>	<b>579,471</b>
<b>Tax on profit</b>	<b>12,676</b>	<b>1,080,265</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<b>513,566</b>	<b>4,591,814</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	<b>97,578</b>	872,445
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,182	(80,560)
Capital allowances for year in excess of depreciation	(25,436)	-
Adjustments to tax charge in respect of prior periods	-	18,615
Remeasurement of deferred tax for changes in tax rates	(47,463)	279,724
Group relief	(15,185)	(9,959)
<b>Total tax charge for the year</b>	<b>12,676</b>	<b>1,080,265</b>

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THE LONG RAKE SPAR COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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12. Taxation (continued)

Factors that may affect future tax charges

It is not expected that there will be any significant reversal of any of the components of the deferred tax provision (see Note 22) during the following year.

13. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 April 2022	49,000
At 31 March 2023	49,000
<b>Amortisation</b>	
At 1 April 2022	49,000
At 31 March 2023	49,000
<b>Net book value</b>	
At 31 March 2023	-
At 31 March 2022	-

THE LONG RAKE SPAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 April 2022	1,943,725	7,611,837	176,800	315,411	10,047,773
Additions	206,577	454,046	9,249	29,013	698,885
Disposals	-	(9,750)	-	-	(9,750)
At 31 March 2023	<u>2,150,302</u>	<u>8,056,133</u>	<u>186,049</u>	<u>344,424</u>	<u>10,736,908</u>
<b>Depreciation</b>					
At 1 April 2022	529,967	2,326,969	66,740	230,127	3,153,803
Charge for the year on owned assets	(2,422)	556,424	30,083	22,062	606,147
Disposals	-	(4,281)	-	-	(4,281)
At 31 March 2023	<u>527,545</u>	<u>2,879,112</u>	<u>96,823</u>	<u>252,189</u>	<u>3,755,669</u>
<b>Net book value</b>					
At 31 March 2023	<u>1,622,757</u>	<u>5,177,021</u>	<u>89,226</u>	<u>92,235</u>	<u>6,981,239</u>
<b>At 31 March 2022</b>	<u>1,413,758</u>	<u>5,284,868</u>	<u>110,060</u>	<u>85,284</u>	<u>6,893,970</u>

Included in land and buildings is freehold land at valuation of £970,829 (2022: £970,829) which is not depreciated.

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

	2023 £	2022 £
Plant and machinery	-	291,672
Motor vehicles	-	10,717
	<u>-</u>	<u>302,389</u>

THE LONG RAKE SPAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

15. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 April 2022	100,100
At 31 March 2023	<u>100,100</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Romney Holdings Limited	Ordinary	100 %

16. Stocks

	2023 £	2022 £
Raw materials and consumables	<u>6,415,975</u>	<u>6,678,291</u>

Stock recognised in cost of sales during the year as an expense was £20,059,910 (2022: £22,979,685).

17. Debtors

	2023 £	2022 £
Trade debtors	4,354,718	5,767,771
Amounts owed by group undertakings	-	2,013,219
Other debtors	234,443	51,615
Prepayments and accrued income	30,375	25,286
	<u>4,619,536</u>	<u>7,857,891</u>

**THE LONG RAKE SPAR COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**18. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	<u>3,874,859</u>	<u>4,078,050</u>

**19. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	165,236	253,670
Trade creditors	2,471,073	3,562,056
Amounts owed to group undertakings	256,896	289,634
Other taxation and social security	340,804	615,790
Obligations under finance lease and hire purchase contracts	-	13,376
Other creditors	2,571	13,657
Accruals and deferred income	424,467	722,329
	<u>3,661,047</u>	<u>5,470,512</u>

**20. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
Bank loans	<u>1,890,537</u>	<u>2,051,810</u>

**Secured loans**

Included in creditors are bank loans amounting to £2,055,773 (2022: £2,305,480) on which security has been given by a legal charge and debenture over the company's assets, as follows:

1. A bank loan of £114,053 repayable in 32 monthly instalments, interest charged at 2% per annum over base.
2. A bank loan of £407,795 repayable in 77 monthly instalments, interest charged at 1.95% per annum over base.
3. A bank loan of £239,500 repayable in 35 monthly instalments, interest charged at 1.75% per annum over base.
4. A bank loan of £1,294,425 repayable in 11 monthly instalments, interest charged at 1.8% per annum over base.

An amount of £197,830 (2022: £172,504) is due on the bank loans after more than five years.

THE LONG RAKE SPAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

**21. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	<u>-</u>	<u>13,376</u>

**22. Financial instruments**

	2023 £	2022 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>6,695,358</u>	<u>7,832,605</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(5,210,781)</u>	<u>(6,906,532)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts

owed to group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts due to group undertakings, obligations under hire purchase contracts, other creditors and accruals.

**23. Deferred taxation**

	2023 £
At beginning of year	1,165,517
Charged to profit or loss	(40,413)
<b>At end of year</b>	<u>1,125,104</u>

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THE LONG RAKE SPAR COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**23. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	1,138,712	1,174,652
Movement in provisions	(13,608)	(9,135)
	<u>1,125,104</u>	<u>1,165,517</u>

**24. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
6,000 (2022 - 6,000) Ordinary shares of £1.00 each	<u>6,000</u>	<u>6,000</u>

**25. Reserves**

**Share premium account**

Share premium reserve represents the amount above the nominal value received for shares sold, less transaction costs.

**Revaluation reserve**

Revaluation reserve represents the surplus or deficit arising on the valuation of certain assets by the company.

**Profit and loss account**

Profit and loss account represents all current and prior period retained profits and losses and is all considered to be distributable.

**26. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £82,681 (2022: £111,199).

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**27. Commitments under operating leases**

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	<u>-</u>	<u>61,033</u>

**28. Related party transactions**

Included in creditors is an amount of £101,100 (2022: £101,100) due to Romney Holdings Limited, a wholly owned subsidiary of Long Rake Spar Limited. The loan is interest free and repayable on demand.

Included in creditors is an amount of £155,796 (2022: £188,534) due from the parent company, LRS Broadhurst Holdings Limited. The loan is interest free and repayable on demand.

Also included in debtors is an amount of £2,106,332 (2022: £2,013,219) due from Broadhurst Land and Farms Limited. The loan is interest free and repayable on demand.

**29. Controlling party**

The company is controlled by T Broadhurst via his 100% shareholding in the company's parent company LRS Broadhurst Holdings Limited.



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