Registered number: 00667727

Delga Press Limited

Directors' report and financial statements

for the year ended 31 January 2023

Delga Press Limited

Company Information

Directors	S H Grist I M Conetta S A McLellan
Registered number	00667727
Registered office	Seaplane House Sir Thomas Longley Road Medway City Estate Rochester Kent ME2 4DP
Independent auditor	Kreston Reeves LLP Statutory Auditor & Chartered Accountants Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
Bankers	HSBC Bank Plc Thames Gateway South Commercial Centre Lakeview West Crossways Business Park Dartford Kent DA2 6QE

Delga Press Limited

Contents

Directors' report
for the year ended 31 January 2023

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

Directors' responsibilities statement

The directors are responsible for preparing 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 judgments 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.

Principal activities

The principal activities of the company continued to be that of printers, printed packaging and fulfilment specialists.

Directors

The directors who served during the year were:

S H Grist
I M Conetta
S A McLellan

Future developments

The Company will continue its focus on the provision of its services.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Directors' report (continued)
for the year ended 31 January 2023

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 October 2023 and signed on its behalf.

I M Conetta
Director

Independent auditor's report to the members of Delga Press Limited

Opinion

We have audited the financial statements of Delga Press Limited (the 'company') for the year ended 31 January 2023, which comprise the statement of comprehensive income, the balance sheet 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 January 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 Auditor's 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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's 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.

Independent auditor's report to the members of Delga Press Limited (continued)

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

Auditor's 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 auditor's 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:

Independent auditor's report to the members of Delga Press Limited (continued)

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the Company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of stock and other provisions. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax authorities; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report to the members of Delga Press Limited (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's 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.

Allan Pinner FCCA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime

24 October 2023

Statement of comprehensive income
for the year ended 31 January 2023

	Note	2023 £	2022 £
Turnover		**8,455,033**	6,173,191
Cost of sales		**(5,290,965)**	(4,144,153)
Gross profit		**3,164,068**	2,029,038
Distribution costs		**(672,154)**	(448,159)
Administrative expenses		**(1,821,302)**	(1,404,109)
Exceptional administrative expenses		**(530,000)**	-
Other operating income		**-**	2,286
Operating profit		**140,612**	179,056
Interest receivable and similar income		**40**	7,157
Interest payable and similar expenses		**(34,343)**	(36,906)
Profit before tax		**106,309**	149,307
Tax on profit	4	**(98,220)**	(116,840)
Profit after tax		**8,089**	32,467

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

The notes on pages 9 to 20 form part of these financial statements.

Delga Press Limited
Registered number: 00667727

Balance sheet
as at 31 January 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	6		**1,288,562**		1,553,240
Current assets					
Stocks	7	**389,505**		388,809	
Debtors: amounts falling due within one year	8	**4,025,077**		2,150,852	
Cash at bank and in hand	9	**430,912**		3,465	
		4,845,494		2,543,126	
Creditors: amounts falling due within one year	10	**(2,777,910)**		(1,202,470)	
Net current assets			**2,067,584**		1,340,656
Total assets less current liabilities			**3,356,146**		2,893,896
Creditors: amounts falling due after more than one year	11		**(493,509)**		(667,568)
Provisions for liabilities					
Deferred tax	14	**(267,988)**		(169,768)	
Other provisions	15	**(530,000)**		-	
			(797,988)		(169,768)
Net assets			**2,064,649**		2,056,560
Capital and reserves					
Called up share capital			**10,000**		10,000
Profit and loss account			**2,054,649**		2,046,560
			2,064,649		2,056,560

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

I M Conetta
Director
Date: 24 October 2023

The notes on pages 9 to 20 form part of these financial statements.

Notes to the financial statements
for the year ended 31 January 2023

1. General information

Delga Press Limited is a limited liability company incorporated in England and Wales, company registration number 00667727. The address of the registered office and principal place of business is Seaplane House, Sir Thomas Longley Road, Rochester, Kent, ME2 4DP. The principal activities of the company are disclosed within the Directors' report.

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 Section 1A of 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 judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

In accordance with UK GAAP, the company annually assesses whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of the company to continue as a going concern and meet its obligations as they become due, for at least one year after the date that the financial statements are issued. The evaluation is based on relevant conditions and events that are known or reasonably knowable at this date.

The financial statements have been prepared on the going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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. Accounting policies (continued)

2.3 Turnover (continued)

Rendering of services

Turnover 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 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.

2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Leasehold land and buildings	- over the period of the lease
Plant and machinery	- 10% to 50% reducing balance
Motor vehicles	- 17% to 25% reducing balance
Fixtures and fittings	- 15% to 50% 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.

2.5 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.

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and loans to/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 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, such as 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 income and retained earnings.

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.

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.

2.9 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. Accounting policies (continued)

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound 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.

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.

2.12 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.

2.13 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases 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 the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Accounting policies (continued)

2.15 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.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.17 Interest income

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

2.18 Borrowing costs

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

2.19 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 the profit and loss account 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.

2.20 Invoice discounting

The company has an agreement with HSBC Bank Plc whereby the majority of its trade debtors are invoice discounted, with recourse after 60 days. On the basis that the benefits and risks attaching to the debts remain with the company, a separate presentation has been adopted, in accordance with FRS102 section 2. On this basis the gross debts are included as an asset within trade debtors and the proceeds received are included within bank loans as a liability.

2.21 Current and deferred 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.

2. Accounting policies (continued)

2.21 Current and deferred taxation (continued)

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.

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

3. Employees

The average monthly number of employees, including directors, during the year was 64 (2022 - 61).

4. Taxation

	2023	2022
	£	£
Current tax on profits for the year	**-**	-
Deferred tax		
Origination and reversal of timing differences	**98,220**	116,840
Taxation on profit on ordinary activities	**98,220**	116,840

4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher 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	**106,309**	149,307
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	**20,199**	28,368
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**3,245**	422
Capital allowances for year in excess of depreciation	-	(8,142)
Other differences leading to an increase (decrease) in the tax charge	**74,100**	-
Group relief	**676**	96,192
Total tax charge for the year	**98,220**	116,840

4. Taxation (continued)

Factors that may affect future tax charges

The company has trade losses of £Nil (2022: £333,497) to carry forward against future profits and also has capital losses of £33,802 (2022: £33,802) to carry forward against future capital profits.

On 24 May 2021, the Finance Bill 2021, was substantively enacted, increasing the main rate of corporation tax to 25% on 1 April 2023, for companies with taxable profits over £250,000.

5. Exceptional items

	2023	2022
	£	£
Dilapidations provision	530,000	-

6. Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 February 2022	104,239	3,714,043	20,021	657,410	4,495,713
Additions	-	2,645	-	34,522	37,167
Disposals	(104,239)	-	(2,200)	-	(106,439)
At 31 January 2023	-	3,716,688	17,821	691,932	4,426,441
Depreciation					
At 1 February 2022	104,239	2,184,572	18,271	635,391	2,942,473
Charge for the year	-	277,000	239	23,262	300,501
Disposals	(104,239)	-	(856)	-	(105,095)
At 31 January 2023	-	2,461,572	17,654	658,653	3,137,879
Net book value					
At 31 January 2023	-	1,255,116	167	33,279	1,288,562
At 31 January 2022	-	1,529,471	1,750	22,019	1,553,240

The net book value of assets held under finance leases or hire purchase contracts, included above is £917,150 (2022: £1,089,450).

Notes to the financial statements
for the year ended 31 January 2023

7. Stocks

	2023	2022
	£	£
Raw materials	315,773	247,366
Work in progress	73,732	141,443
	389,505	388,809

8. Debtors

	2023	2022
	£	£
Trade debtors	966,658	795,421
Amounts owed by group undertakings	2,836,071	1,196,887
Other debtors	14,246	13,711
Prepayments and accrued income	208,102	144,833
	4,025,077	2,150,852

The company is able to raise finance secured against approved trade debtors. The gross amount of the debts which are discounted at 31 January 2023 is £905,573 (2022: £681,317).

9. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	430,912	3,465

10. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans	-	439,010
Other loans	-	24,122
Trade creditors	319,058	276,690
Amounts owed to group undertakings	1,910,724	-
Other taxation and social security	152,102	104,096
Obligations under finance lease and hire purchase contracts	159,708	197,748
Other creditors	9,210	44,164
Accruals and deferred income	227,108	116,640
	2,777,910	1,202,470

Secured loans

The bank loans relate to amounts owed to an invoice financing company which has been secured on the debts arising from the business.

Obligations under hire purchase agreements are guaranteed within the group and secured by a charge over the individual assets that are the subject of the agreement.

11. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Net obligations under finance leases and hire purchase contracts	**493,509**	667,568

12. Loans

Analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year		
Bank loans	**-**	439,010
Other loans	-	24,122
	-	463,132

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Within one year	**159,708**	197,748
Between 1-5 years	**441,858**	536,154
Over 5 years	**51,651**	131,414
	653,217	865,316

14. Deferred taxation

	2023	2022
	£	£
At beginning of year	(169,768)	(52,928)
Charged to profit or loss	(98,220)	(116,840)
At end of year	(267,988)	(169,768)

The provision for deferred taxation is made up as follows:

	2023	2022
	£	£
Accelerated capital allowances	(270,132)	(291,170)
Tax losses carried forward	-	119,915
Other timing differences	2,144	1,487
	(267,988)	(169,768)

15. Provisions

	Dilapidations
	£
Charged to profit or loss	530,000
At 31 January 2023	530,000

16. Contingent liabilities

At the balance sheet date, the company had the following contingent liability.

The company is included in group banking facilities. The company's assets are charged to the group's bankers to guarantee the total bank indebtedness owing by The Meliora Group Limited and its UK subsidiary undertakings. At 31 January 2023 the total non CBIL bank indebtedness owed by the group to the bank amounted to £0 (2022: £872,575). Under the terms of the group banking facility, there is a contingent liability of £0 (2022: £437,030).

17. Capital commitments

At 31 January 2023 the company had capital commitments as follows:

	2023	2022
	£	£
Contracted for but not provided in these financial statements	197,250	-

18. Commitments under operating leases

At 31 January 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	510,955	529,763
Later than 1 year and not later than 5 years	1,554,408	1,941,257
Later than 5 years	-	228,548
	2,065,363	2,699,568

19. Related party transactions

The company has taken advantage of the exemption from disclosing related party transactions with members or investees of the group provided by FRS102, section 33.2 as it is a wholly owned subsidiary in the group headed by The Meliora Group Limited.

20. Controlling party

The immediate and ultimate parent company of the group and for which group accounts are prepared is The Meliora Group Limited, a company registered in England and Wales. Accounts can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.

The company is under the control of I M Conetta.