

**FRAMPTONS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

**FRAMPTONS LIMITED**

**COMPANY INFORMATION**

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<b>DIRECTORS</b>	J M Edwards I J Harvey S Hayward (resigned 31 July 2022) W R Martin E J Salt (resigned 25 January 2023) A W Staples
<b>COMPANY SECRETARY</b>	I J Harvey
<b>REGISTERED NUMBER</b>	00927723
<b>REGISTERED OFFICE</b>	76 Charlton Road Shepton Mallet Somerset BA4 5PD
<b>INDEPENDENT AUDITORS</b>	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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**BUSINESS REVIEW**

The principal activities of the Company during the period remain the manufacture and sale of liquid and cooked egg products and the contract manufacture of other liquid food, beverage and juice products for brand owners. The directors do not envisage a change in the activities of the Company in the foreseeable future.

The results, compared with the previous year, can be summarised as follows:

- A 36% increase in contract pack sales revenue.
- A 21% increase in egg product sales revenue.
- Resulting in a 33% increase in total sales revenues.
- A 37% increase in gross margin earned, before distribution and administrative costs.
- A 19% increase in distribution and administrative overheads.
- A 43% reduction in the operating loss against that reported in 2021.
- The Company is reporting a net loss before tax of £733k, an improvement on the previous year despite a significant increase in bank interest payable.

These results essentially reflect the challenges of recovery from COVID-19 impacts and the subsequent pressure on energy and commodity price rises resulting from the war in Ukraine. While every measure possible was taken to mitigate the impact of these cost rises, there is an inevitable delay in being able to maintain margins and profitability. The results also reflect the increased debt burden the business was required to take on as a direct result of COVID-19 impacts.

During the financial year 2023 the directors and management have been working on the implementation of a business simplification strategy aimed at:

- Greater utilisation of newer production capabilities
- Shutdown and removal of older plant
- Delisting of certain SKU's with the aim of de-complexing and reduction of stocks
- Focus on higher production run volumes resulting in reduced overhead costs.

While this strategy has taken some time to fully implement, against an ongoing backdrop of high inflationary pressures, the business has returned to profitability in the first quarter of FY2024.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Operational, commercial and financial risks are all considered in establishing and maintaining the Company's control environment. The principle risks and uncertainties faced by the Company, in line with the rest of the food manufacturing sector, have been identified as: consumer, and therefore customer demand; competitor activity; pricing and availability of raw materials; liquidity and credit risks; production issues and external factors creating food safety issues; business continuity; recruitment and retention of key staff; health and safety.

While sales volumes for the year saw a recovery to pre-COVID levels the business has faced very significant cost increases in terms of material costs, energy costs, and wage inflation. While some of this cost has been recovered in increased selling prices, the prevailing trading environment has resulted in the trading loss being reported.

The Company has a programme for continuous review of risk and also maintains an appropriate portfolio of insurance policies in line with the nature, size and complexity of the business.

## FINANCIAL KEY PERFORMANCE INDICATORS

The Directors have determined that the following KPI's are the most effective measure of progress towards achieving the objectives of the business. The current financial year is not considered to be reflective of normal operational performance due to ongoing impacts on operational costs, primarily labour and energy, as a result of COVID-19 and the war in Ukraine:

Sales growth - 2022: 33.2%; 2021: (6.3)%

Gross profit - 2022: 17.2%; 2021: 16.7%

Operating profit - 2022: (0.01)%; 2021: (1.29)%

EBITDA - 2022: £1.149m; 2021: £0.689m

## DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

The board of directors of the Company consider, both individually and together, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and having regard (amongst other matters) to factors (a) to (f) S172 Companies Act 2006, in the decisions taken during the year ended 30 June 2022. Specifically, the Board ensure in all decisions taken that:

- Business is conducted morally and ethically, in line with the Company's Code of Conduct
- Short-term gains do not have an adverse consequence on the Company's long-term strategy, success and benefits
- Employee welfare, training and interests are taken care of
- Customer and supplier relationships are strong, mutually beneficial and comply with Company's policies (such as anti-briber and corruption, anti-slavery and human trafficking and corporate social responsibility)
- Any community and environmental impacts as a result of the Company's operations are considered

During the financial year, the Company:

- The Company continued to invest in its infrastructure throughout the last financial year, notwithstanding significant financial pressures, in order to improve operational performance and customer experience for the longer term
- Informally consulted with its employees to ensure its workspaces and working practices were compliant and safe.

This report was approved by the board

and signed on its behalf..

**I J Harvey**

Director

Date: 16 November 2023

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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The directors present their report and the financial statements for the year ended 30 June 2022.

**PRINCIPAL ACTIVITY**

The principal activities of the Company during the year remain the manufacture and sale of liquid and cooked egg products and the contract manufacture of other liquid food, beverage and juice products for brand owners.

The directors do not envisage a change in the activities of the Company in the foreseeable future.

**RESULTS**

The loss for the year, after taxation, amounted to £592,829 (2021: loss £758,677).

**DIRECTORS**

The directors who served during the year were:

J M Edwards

I J Harvey

S Hayward (resigned 31 July 2022)

W R Martin

E J Salt (resigned 25 January 2023)

A W Staples

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**MATERIAL UNCERTAINTY IN RELATION TO GOING CONCERN**

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company, and the group is a member of, headed by Framptons Group Holdings Limited, to continue as a going concern. The Directors make this assessment in respect of a period of 12 months from the date of approval of the financial statements.

It is acknowledged that prior to the balance sheet date the Group and Company has been significantly impacted by the COVID-19 pandemic and the Ukraine war, which has had an unprecedented impact on a wide range of businesses, industries, and the economy as a whole.

During the year ended 30 June 2022 the Group headed by Framptons Group Holdings Limited made a loss of £672,690 and as at 30 June 2022 had net current liabilities of £7,764,205 and net assets of £1,660,186. The financial results for the year ended 30 June 2023 will show continued trading losses and an increased net current liability position. The Group has been successful in raising an additional £1.9m in equity investment and short-term loans, as well as renewing its invoice discounting facility with HSBC, which have provided the necessary liquidity to continue trading.

The Group is reliant on proceeds of factored debts which are secured against trade debtors, and a mortgage debenture over all the assets in the Group in favour of HSBC. The Group also has 2 bank loans from HSBC, one of which was received under the Coronavirus Business Interruption Loan Scheme (CBILS), managed by the British Business Bank, repayable in instalments, with the final payment due in 2027. The other loan is a term loan repayable in instalments, with the final payment due in 2026, however, due to a breach of a financial covenant attached to the facility the loan has been reclassified as repayable on demand. The Group has also breached these covenants at 30 June 2023.

No formal waiver of enforcement action as a result of this breach has been obtained by the Directors, but the Directors are in discussions with HSBC regarding these breaches and are seeking assurances that existing facilities will continue to be made available. The outcome of these discussions is expected to be positive, but the conclusion remains uncertain.

There has been an offer of significant investment into the business which the Directors believe will complete by the end of November 2023, however, the capital has not yet been received, and has therefore not been included the Directors budgets and forecasts.

The Directors have prepared budgets and cash flow forecasts for a period of at least 12 months following the date of approval of the financial statements. These forecasts assume that the current improved trading performance of the group continues. The Directors are of the opinion that the Group will continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements. This opinion is based on the group's current trading levels, and support from creditors, including HSBC. However, in making this assessment the directors have made a number of significant assumptions. These include:

- Ongoing support from HSBC – no formal waiver of enforcement action as a result of financial covenant breaches have been obtained. The bank has been supportive of the business to date and the Directors assume this support will continue for at least 12 months from signing these financial statements, and to the Directors do not expect these banking facilities to be withdrawn within 12 months from approving these financial statements.
- Return to profitability and cash generation – the Directors' forecasts assume that the Group's revenue and cost savings targets are achieved to enable the group to generate positive operating cash flows in order to meet its creditor obligations.

The directors believe that, taken as a whole, the factors described above enable the Group and the Company to continue as a going concern for the foreseeable future. The financial statements do not reflect the adjustments that would be necessary should the ability of the Group to trade be jeopardised due to a material issue with any one of these assumptions not being achieved. As such there is a material uncertainty related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern and, therefore,

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

**FUTURE DEVELOPMENTS**

The directors intend to continue the development of the company's principal activities.

**ENGAGEMENT WITH EMPLOYEES**

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees on various factors affecting performance of the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

**ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS**

The Company also places considerable value on the relationship it holds with suppliers, customers and other stakeholders.

Our customers are essential to our business and we aim to work openly and transparently in fostering long-term customer relationships. Our business decisions and priorities are based on a good understanding of our customers and their requirements. We hold regular meetings with most of our customers at all levels within the business including the supply chain and commercial teams. Directors are involved in many of these meetings as and when required.

The Company recognises the key role many of our suppliers play in supporting our ability to meet our customer requirements. Company policies in terms of specification, quality and supplier practices are applied in our selection of suppliers. To this end we proactively manage key supplier relationships and hold regular meetings where possible to ensure expectations and requirements for both parties are met. Directors are involved where necessary and where regular market reviews are strategic to the Company and its customers.

The Company aims to foster open and transparent dialogue with the regulatory and industry bodies relevant to the Company's business operations and products it produces. This also applies in its relationship with other key stakeholders such as its bankers, other funders, and external advisors.

**DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION**

The Company has continued with investments aimed at improving energy efficiencies across its operations. The combined heat and power installation is now operational providing both power and electricity to the factory. The new biomass boiler is still to be commissioned and is expected to make a major contribution to reducing the Companies carbon footprint and cost of steam generation.

For the year ended 30 June 2022 the Company's energy consumption (in MWh) and the CO<sub>2</sub> equivalent emissions in tonnes (tCO<sub>2</sub>e) were:

Direct (gas, transport & liquid fuels) - 2022: 34,412 MWh / 6,714 tCO<sub>2</sub>e; 2021: 46,139 MWh / 8,454 tCO<sub>2</sub>e

Indirect (purchased electricity) - 2022: 8,319 MWh / 1,766 tCO<sub>2</sub>e; 2021: 9,641 MWh / 2,047 tCO<sub>2</sub>e

Indirect (employee owned cars) - 2022: 218 MWh / 0.05 tCO<sub>2</sub>e; 2021: 1,318 MWh / 0.3 tCO<sub>2</sub>e

Intensity ratio - 2022: 0.11 ; 2021: 0.14



**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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**MATTERS COVERED IN THE STRATEGIC REPORT**

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires a Strategic Report to be prepared. Where mandatory disclosures in the Directors' Report are considered by the directors to be of strategic importance, these are addressed in the Strategic Report.

**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.

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end other than as outlined earlier in this report.

**AUDITORS**

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

**I J Harvey**  
Director

Date: 16 November 2023

76 Charlton Road  
Shepton Mallet  
Somerset  
BA4 5PD

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022**

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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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRAMPTONS LIMITED**

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**OPINION**

We have audited the financial statements of Framptons Limited (the 'Company') for the year ended 30 June 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 30 June 2022 and of its loss 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.

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to note 2.4 in the financial statements, which indicates that the Group headed by Framptons Group Holdings Limited, has net current liabilities totalling £7,764,205 at 30 June 2022. The material uncertainty in relation to going concern centres around the Group's ability to recover to profitability and generate operating cash flows in order to meet its creditor obligations, and ongoing support from HSBC in relation to the breach of financial covenants on applicable to one of its loan instruments. As stated in note 2.4, these events or conditions, along with the other matters as set forth in note 2.4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included reviewing forecast performance and key inputs into the projections, and performing a reasonableness check on these assumptions. We have also reviewed board minutes, post year end financial information, and correspondence with HSBC.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRAMPTONS 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 7, 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 FRAMPTONS LIMITED (CONTINUED)

## 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:

- We have considered the nature of the industry and sector, control environment, and business performance.
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity.
- We have considered any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance.
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
  - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
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As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. These included health and safety regulations and employment law.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- Enquiring of management in relation to actual and potential claims or litigation.
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Reviewing board meeting minutes.
- Performing detailed testing in relation to the recognition of revenue with a particular focus around the year-end cut off.
- Reviewing going concern assertions in detail and consideration of the existence of material uncertainties that are referred to in the financial statements and audit report.
- In addressing the risk of fraud through management override of controls, testing the appropriateness of

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRAMPTONS LIMITED (CONTINUED)

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journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Ria Burridge FCCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

17 November 2023

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
Turnover	4	<b>50,069,525</b>	37,586,005
Cost of sales		<b>(41,454,724)</b>	(31,305,089)
<b>GROSS PROFIT</b>		<b>8,614,801</b>	6,280,916
Distribution costs		<b>(1,130,580)</b>	(970,411)
Administrative expenses		<b>(7,760,606)</b>	(6,487,972)
Other operating income	5	-	693,960
<b>OPERATING LOSS</b>	6	<b>(276,385)</b>	(483,507)
Interest payable and expenses	9	<b>(456,133)</b>	(344,520)
<b>LOSS BEFORE TAX</b>		<b>(732,518)</b>	(828,027)
Tax on loss	10	<b>139,689</b>	69,350
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(592,829)</b>	(758,677)

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 15 to 33 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	12	15,088,505	15,672,197
Investments	13	40,045	40,045
		<u>15,128,550</u>	<u>15,712,242</u>
<b>CURRENT ASSETS</b>			
Stocks	14	5,049,080	3,250,037
Debtors: amounts falling due within one year	15	10,660,565	8,559,781
Cash at bank and in hand	16	799	254,342
		<u>15,710,444</u>	<u>12,064,160</u>
Creditors: amounts falling due within one year	17	(22,354,387)	(16,155,833)
<b>NET CURRENT LIABILITIES</b>		<u>(6,643,943)</u>	<u>(4,091,673)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,484,607</u>	<u>11,620,569</u>
Creditors: amounts falling due after more than one year	18	(5,418,866)	(7,512,123)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax		(929,551)	(1,163,427)
<b>NET ASSETS</b>		<u>2,136,190</u>	<u>2,945,019</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	130,208	130,208
Share premium account	23	294,773	294,773
Capital redemption reserve	23	5,600	5,600
Profit and loss account	23	1,705,609	2,514,438
		<u>2,136,190</u>	<u>2,945,019</u>

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

I J Harvey  
Director

Date: 16 November 2023

The notes on pages 15 to 33 form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
<b>At 1 July 2020</b>	<b>130,208</b>	<b>294,773</b>	<b>5,600</b>	<b>3,273,115</b>	<b>3,703,696</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(758,677)	(758,677)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(758,677)</b>	<b>(758,677)</b>
<b>At 1 July 2021</b>	<b>130,208</b>	<b>294,773</b>	<b>5,600</b>	<b>2,514,438</b>	<b>2,945,019</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(592,829)	(592,829)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(592,829)</b>	<b>(592,829)</b>
<b>Contributions by and distributions to owners</b>					
Dividends	-	-	-	(216,000)	(216,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(216,000)</b>	<b>(216,000)</b>
<b>At 30 June 2022</b>	<b>130,208</b>	<b>294,773</b>	<b>5,600</b>	<b>1,705,609</b>	<b>2,136,190</b>

The notes on pages 15 to 33 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. GENERAL INFORMATION**

Framptons Limited is a limited liability company which is incorporated in England and Wales. The address of the registered office is 76 Charlton Road, Shepton Mallet, Somerset, BA4 5PD.

**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 financial statements are prepared in sterling which is the functional currency of the company.

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 (see note 3).

The following principal accounting policies have been applied:

**2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Framptons Group Holdings Limited as at 30 June 2022 and these financial statements may be obtained from Companies House.

**2.3 ASSOCIATES AND JOINT VENTURES**

Associates and Joint Ventures are held at cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. ACCOUNTING POLICIES (continued)****2.4 GOING CONCERN**

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company, and the group it is a member of, headed by Framptons Group Holdings Limited, to continue as a going concern. The Directors make this assessment in respect of a period of 12 months from the date of approval of the financial statements.

It is acknowledged that prior to the balance sheet date the Group and Company has been significantly impacted by the COVID-19 pandemic and the Ukraine war, which has had an unprecedented impact on a wide range of businesses, industries, and the economy as a whole.

During the year ended 30 June 2022 the Group headed by Framptons Group Holdings Limited made a loss of £672,690 and as at 30 June 2022 had net current liabilities of £7,764,205 and net assets of £1,660,186. The financial results for the year ended 30 June 2023 will show continued trading losses and an increased net current liability position. The Group has been successful in raising an additional £1.9m in equity investment and short-term loans, as well as renewing its invoice discounting facility with HSBC, which have provided the necessary liquidity to continue trading.

The Group is reliant on proceeds of factored debts which are secured against trade debtors, and a mortgage debenture over all the assets in the Group in favour of HSBC. The Group also has 2 bank loans from HSBC, one of which was received under the Coronavirus Business Interruption Loan Scheme (CBILS), managed by the British Business Bank, repayable in instalments, with the final payment due in 2027. The other loan is a term loan repayable in instalments, with the final payment due in 2026, however, due to a breach of a financial covenant attached to the facility the loan has been reclassified as repayable on demand. The Group has also breached these covenants at 30 June 2023.

No formal waiver of enforcement action as a result of this breach has been obtained by the Directors, but the Directors are in discussions with HSBC regarding these breaches and are seeking assurances that existing facilities will continue to be made available. The outcome of these discussions is expected to be positive, but the conclusion remains uncertain.

There has been an offer of significant investment into the business which the Directors believe will complete by the end of November 2023, however, the capital has not yet been received, and has therefore not been included in the Directors' budgets and forecasts.

The Directors have prepared budgets and cash flow forecasts for a period of at least 12 months following the date of approval of the financial statements. These forecasts assume that the current improved trading performance of the group continues. The Directors are of the opinion that the Group will continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements. This opinion is based on the group's current trading levels, and support from creditors, including HSBC. However, in making this assessment the directors have made a number of significant assumptions. These include:

- Ongoing support from HSBC – no formal waiver of enforcement action as a result of financial covenant breaches have been obtained. The bank has been supportive of the business to date and the Directors assume this support will continue for at least 12 months from signing these financial statements, and to the Directors do not expect these banking facilities to be withdrawn within 12 months from approving these financial statements.
- Return to profitability and cash generation – the Directors' forecasts assume that the Group's revenue and cost savings targets are achieved to enable the group to generate positive operating cash flows in order to meet its creditor obligations.

The directors believe that, taken as a whole, the factors described above enable the Group and the

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.4 GOING CONCERN (CONTINUED)**

Company to continue as a going concern for the foreseeable future. The financial statements do not reflect the adjustments that would be necessary should the ability of the Group to trade be jeopardised due to a material issue with any one of these assumptions not being achieved. As such there is a material uncertainty related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

**2.5 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**

- 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.

**Rendering of a service**

Turnover from a contract to provide a services is recognised in the period in which the service 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 cost incurred and the costs to complete the contract can be measured reliably.

**2.6 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. ACCOUNTING POLICIES (continued)****2.6 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 10-15 years
Motor vehicles	- 5 years
Office equipment	- 3 years

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.

Office equipment has been included within plant and machinery on note 12.

**2.7 VALUATION OF INVESTMENTS**

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.8 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 reporting 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 the Statement of Comprehensive Income.

**2.9 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.

**2.10 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.

**2.11 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)****2.12 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.

**2.13 FOREIGN CURRENCY TRANSLATION****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

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

**2.14 DIVIDENDS**

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

**2.15 OPERATING LEASES: THE COMPANY AS LESSOR**

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2020 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. ACCOUNTING POLICIES (continued)****2.16 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.

**2.17 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.

**2.18 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.19 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 reporting 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 reporting 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 reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. ACCOUNTING POLICIES (continued)****2.20 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.

**2.21 FINANCIAL INSTRUMENTS**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.



2. ACCOUNTING POLICIES (continued)

2.21 FINANCIAL INSTRUMENTS (CONTINUED)

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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3.

**JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates.

**Accrued Income**

Certain customers of Framptons Limited are invoiced in arrears on a weekly basis. These invoices are in relation to multiple deliveries made that week. As a result, management have deemed it reasonable to recognise a percentage of these invoices at the year end based upon the number of days that related to this financial year.

**Stock Provision**

Management have considered slow moving reports, expiry reports and expected future custom in relation to the year end stock listing. As a result, management have deemed it reasonable to recognise a provision against the stock value held at the year end.

**Overhead Absorption**

Management have reviewed the processes involved in manufacturing the finished goods stock and have made their best estimate in attributing overhead costs such as electricity, freezing and staff time.

**Dilapidations**

Management have considered the cost of returning the leasehold property back to its original condition on expiry of the leases. The value recognised in the accounts is management's best estimate based upon available information.

4. **TURNOVER**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. **OTHER OPERATING INCOME**

	2022 £	2021 £
Coronavirus Job Retention Scheme	<u>-</u>	<u>693,960</u>

During 2021 the Company took advantage of the Coronavirus Job Retention Scheme. Income shown in the accounts above represents the income claimed for months up to June 2021. This income represents 80% of employee's gross wages costs on all qualifying employees. No claims were made in 2022 in relation to Coronavirus Job Retention Scheme.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**6. OPERATING LOSS**

The operating loss is stated after charging:

	<b>2022</b>	2021
	<b>£</b>	£
Depreciation of tangible fixed assets:		
- Owned	<b>841,603</b>	843,075
- Held under finance lease	<b>583,942</b>	336,378
Auditors' remuneration	<b>18,145</b>	15,450
Auditors' remuneration - non audit fees	<b>2,565</b>	2,500
Exchange differences	<b>16,239</b>	(22,239)
Defined contribution pension cost	<b>226,404</b>	198,150
Other operating lease rentals	<b>104,536</b>	113,522
	<u><b>104,536</b></u>	<u>113,522</u>

**7. EMPLOYEES**

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

	<b>2022</b>	2021
	<b>£</b>	£
Wages and salaries	<b>9,000,887</b>	8,021,858
Social security costs	<b>900,682</b>	741,525
Cost of defined contribution scheme	<b>226,404</b>	198,150
	<u><b>10,127,973</b></u>	<u>8,961,533</u>

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

	<b>2022</b>	2021
	<b>No.</b>	No.
Manufacturing	<b>267</b>	270
Administrative	<b>28</b>	26
Sales	<b>3</b>	2
Directors	<b>5</b>	2
	<u><b>303</b></u>	<u>300</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**8. DIRECTORS' REMUNERATION**

	2022 £	2021 £
Directors' emoluments	230,776	238,712
Company contributions to defined contribution pension schemes	16,450	15,750
	<u>247,226</u>	<u>254,462</u>

During the year retirement benefits were accruing to 3 directors (2021: NIL) in respect of defined contribution pension schemes.

Directors' emoluments are also paid through the parent company, Framptons Group Holdings Limited.

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022 £	2021 £
Bank interest payable	167,509	87,680
Other loan interest payable	33,372	39,731
Finance leases and hire purchase contracts	255,252	217,109
	<u>456,133</u>	<u>344,520</u>

**10. TAXATION**

	2022 £	2021 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	(152,390)
Adjustments in respect of previous periods	94,187	(102,966)
<b>TOTAL CURRENT TAX</b>	<u>94,187</u>	<u>(255,356)</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	(233,876)	142,812
Changes to tax rates	-	43,194
<b>TOTAL DEFERRED TAX</b>	<u>(233,876)</u>	<u>186,006</u>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>	<u>(139,689)</u>	<u>(69,350)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**10. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(732,518)</u>	<u>(828,027)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(139,178)	(157,325)
<b>EFFECTS OF:</b>		
Fixed asset differences	(29,902)	(11,816)
Expenses not deductible for tax purposes	2,642	161
Additional deduction for R&D expenditure	-	(39,232)
Surrender of tax losses for R&D tax credit refund	-	76,267
Adjustments to tax charge in respect of prior periods	94,187	(197,153)
Non-taxable income	(13,733)	(7,760)
Remeasurement of deferred tax for changes in tax rates	(56,130)	279,222
Adjustments to tax charge in respect of previous periods - deferred tax	-	43,194
R&D credit	-	(58,203)
Other differences leading to an increase (decrease) in the tax charge	212	137
Group relief	2,213	3,158
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u><u>(139,689)</u></u>	<u><u>(69,350)</u></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

As enacted by the Government on 24 May 2021, the main rate of corporation tax will increase from 19% to 25% with effect from 1 April 2023.

**11. DIVIDENDS**

	2022 £	2021 £
Dividends paid	216,000	-
	<u><u>216,000</u></u>	<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

## 12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>			
At 1 July 2021	29,685,077	174,248	29,859,325
Additions	841,853	-	841,853
At 30 June 2022	30,526,930	174,248	30,701,178
<b>DEPRECIATION</b>			
At 1 July 2021	14,027,586	159,542	14,187,128
Charge for the year on owned assets	836,090	5,513	841,603
Charge for the year on leased assets	581,435	2,507	583,942
At 30 June 2022	15,445,111	167,562	15,612,673
<b>NET BOOK VALUE</b>			
At 30 June 2022	15,081,819	6,686	15,088,505
<b>At 30 June 2021</b>	15,657,491	14,706	15,672,197

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

	2022 £	2021 £
Plant and machinery	7,397,172	7,972,685
Motor vehicles	-	2,507
	7,397,172	7,975,192

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

13. FIXED ASSET INVESTMENTS

	Unlisted investments £	Investment in joint ventures £	Total £
<b>COST</b>			
At 1 July 2021	40,000	45	40,045
At 30 June 2022	<u>40,000</u>	<u>45</u>	<u>40,045</u>

14. STOCKS

	2022 £	2021 £
Raw materials and consumables	4,673,555	2,955,867
Finished goods and goods for resale	375,525	294,170
	<u>5,049,080</u>	<u>3,250,037</u>

Stock recognised in cost of sales during the year as an expense was £27,517,565 (2021: £19,820,588).

Impairment losses of £Nil (2021: £Nil ) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**15. DEBTORS**

	2022 £	2021 £
Trade debtors	8,188,056	6,438,147
Amounts owed by group undertakings	1,376,320	1,293,019
Other debtors	521,556	455,028
Prepayments and accrued income	574,633	373,587
	<u>10,660,565</u>	<u>8,559,781</u>

Amounts owed by group undertakings are unsecured, interest free and due on demand.

**16. CASH AND CASH EQUIVALENTS**

	2022 £	2021 £
Cash at bank and in hand	799	254,342
Less: Invoice discounting facility	<u>(152,593)</u>	<u>-</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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

	2022 £	2021 £
Bank overdrafts	152,593	-
Other loans	669,030	130,304
Trade creditors	9,376,855	6,663,521
Amounts owed to group undertakings	155,561	127,691
Amounts owed to joint ventures	45	45
Corporation tax	19,432	-
Other taxation and social security	446,166	776,708
Obligations under finance lease and hire purchase contracts	1,776,008	1,449,375
Proceeds of factored debts	7,528,380	4,721,626
Other creditors	104,948	427,269
Accruals and deferred income	2,125,369	1,859,294
	<u>22,354,387</u>	<u>16,155,833</u>

Amounts owed to group undertakings are unsecured, due on demand and interest free.

Hire purchase creditors are secured against assets as detailed in note 12.

Other loans are secured against asset as detailed in note 19.

Proceeds of factored debts are secured against monies due from trade debtors and by a mortgage debenture over all the assets of the company.

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

	2022 £	2021 £
Other loans	613,333	1,269,000
Net obligations under finance leases and hire purchase contracts	4,805,533	6,243,123
	<u>5,418,866</u>	<u>7,512,123</u>

Hire purchase creditors are secured against assets as detailed in note 12.

Other loans are secured against asset as detailed in note 19.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**19. LOANS**

Analysis of the maturity of loans is given below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Other loans	<b>669,030</b>	130,304
<b>AMOUNTS FALLING DUE 1-2 YEARS</b>		
Other loans	<b>160,000</b>	271,493
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>		
Other loans	<b>453,333</b>	836,008
<b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b>		
Other loans	-	161,499
	<b><u>1,282,363</u></b>	<b><u>1,399,304</u></b>

A Coronavirus Business Interruption Loan Scheme (CBILS) loan of £800,000 was granted in 2021 year. Interest is charge on the loan at 3.99% per annum over the Bank of England base rate. The loan is being repaid by 59 installments of £13,333 per month and a final balancing payment of £13,334. At the end of the year £160,000 is due within 1 year, £160,000 due within 1-2 years, £453,333.

A loan of £640,000 was granted in the 2021 year. Interest is charge on the loan at 3.0% per annum over the Bank of England base rate. The loan is being repaid by 72 installments of £9,754.30 per month (covering principal and interest payment). From March to August 2021 a 6 month payment holiday was granted by the lender. As the outstanding balance of the loan will be repaid in fewer installments, monthly repayments will resume at £10,477.39. Due to a breach of financial covenant attached to this loan at 30 June 2022 the loan has been reclassified as repayable on demand. No waiver for this breach has been obtained by the Directors, but the lender has otherwise agreed not to take action and recall the loan.

**20. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	<b>1,776,008</b>	1,449,375
Between 1-5 years	<b>4,805,533</b>	6,243,123
	<b><u>6,581,541</u></b>	<b><u>7,692,498</u></b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

**21. DEFERRED TAXATION**

	2022 £	2021 £
At beginning of year	(1,163,427)	(977,421)
Charged to profit or loss	233,876	(186,006)
<b>AT END OF YEAR</b>	<b><u>(929,551)</u></b>	<b><u>(1,163,427)</u></b>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(2,020,506)	(1,802,491)
Tax losses carried forward	1,090,955	639,064
	<b><u>(929,551)</u></b>	<b><u>(1,163,427)</u></b>

**22. SHARE CAPITAL**

	2022 £	2021 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
130,208 (2021: 130,208) Ordinary shares of £1.00 each	<b><u>130,208</u></b>	<b><u>130,208</u></b>

**23. RESERVES****Capital redemption reserve**

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

**Profit and loss account**

The profit and loss account includes all current and prior period retained profit and losses. All are considered distributable.

**24. 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 £226,404 (2021: £198,150). Contributions totalling £46,884 (2021: £43,128) were payable to the fund at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**25. COMMITMENTS UNDER OPERATING LEASES**

At 30 June 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	<b>106,404</b>	97,950
Later than 1 year and not later than 5 years	<b>110,016</b>	112,894
	<u><b>216,420</b></u>	<u>210,844</u>

**26. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption under Financial Reporting Standard 102 Section 33 from the requirement to disclose transactions with group companies.

At the year end, the company had amounts owed to group undertakings totalling £155,561 (2021: £127,736).

At the year end, the company had amounts owed from group undertakings totalling £1,376,320 (2021: £1,293,019).

Included within other creditors is a loan of £Nil (2021: £9,160) received from a director's mother. The loan was repaid in year.

**Key Management Personnel**

There were no key management personnel other than the directors.

**27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent company is Framptons Group Holdings Limited, a company registered in England and Wales.

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