

Company registration number 01156193 (England and Wales)

**DORMOLE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



DORMOLE LIMITED

COMPANY INFORMATION

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Directors	A J T Strong T J Strong W S Flory A W Hill P J Lawrence J N Christie	(Appointed 26 April 2022) (Appointed 26 April 2022)
Secretary	N Hussain	
Company number	01156193	
Registered office	Long Reach Galleon Boulevard Crossways Business Park Dartford Kent DA2 6QE	
Auditor	Clarkson Hyde LLP 3rd Floor Chancery House St Nicholas Way Sutton Surrey SM1 1JB	
Bankers	HSBC UK Bank Plc 1 Centenary Square Birmingham B1 1HQ  Lloyds Bank 2nd Floor 125 Colmore Row Birmingham B3 3SF	

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**DORMOLE LIMITED**

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**DORMOLE LIMITED****STRATEGIC REPORT****FOR THE YEAR ENDED 31 DECEMBER 2022**

I present the financial statements for the year ended 31 December 2022 and the Board's Strategic Report.

**BUSINESS REVIEW**

The business remains focussed on providing an extensive range of hand tools, power tools, consumables, accessories, fixings, and fasteners, which we stock in depth and make available to all genuine re-sellers of such products. We strive to offer a service that is second to none and a comprehensive package of sales, promotions and marketing support designed to assist our customers to sell our products to theirs.

Sales unsurprisingly fell from £307m to £272m (down 11%) coming off the back of an exceptional year in 2021, which saw the market bounce back after the Covid-19 pandemic. During 2022 the business worked hard with suppliers to improve manufacturing capability and container availability for imports. Resolving these issues has led to record stock levels and higher stock availability for our customers. All these inbound deliveries pushed distribution costs up from £17.5m to £19.2m when combined with increased fuel prices for our delivery fleet because of the conflict in Ukraine.

Other overheads started to see increases from the UK's increased inflation rate towards the second half of the year. Significant expenditure (£1.44m) was also incurred to improve the working environment at our Dartford warehouse. As a result, overheads increased to 21.9% of sales from 18.1%. Overall operating profits decreased from £29.7m to £21.7m (down 26.7%).

Group Net Assets grew from £152m to £165m. The increase in stock reduced stock turn to 2.3 (3.3 in 2021). The stock build helped improve service levels but also secured availability should there have been any further supply chain issues heading into 2023. Debtor days increased to 54 days with slightly higher levels of outstanding debt at year end. In 2022 the Company started the process to buy out the defined benefit pension scheme. This was funded to buy-in for 2022 by £3m to ensure no potential deficit during the remaining process. These movements all resulted in Net Cash falling from £45m to £42m through the year and leaves the business with a strong balance sheet.

The Company made no acquisitions during the year, but this remains part of our strategy to build our product offering and benefit from economies of scale.

Significant resources are being deployed into the operational IT systems and security measures. In addition, ethical sourcing programmes, environmental objectives, and training remain important priorities and focus for investment.

**KEY PERFORMANCE INDICATORS**

The group monitors performance throughout the year. Key performance indicators include turnover, overheads (as a percentage of sales), operating profit, stock turns and debtor days.

	<b>2022</b> £'000	<b>2021</b> £'000	<b>Movement %</b>
Turnover	273,267	306,975	(11.0%)
Overheads % sales	21.9%	18.1%	
Operating profit	21,744	29,664	(26.7%)
Stock turns	2.3	3.3	
Debtor days	54	46	

**DORMOLE LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's operations expose it to some risks and uncertainties which the Directors believe could have an impact on the Company's financial performance. The principal risks and management's response to them are detailed below.

**Market conditions and competition**

The Company sells into different market sectors including the construction industry and DIY sector, and demand is subject to fluctuation. The current high inflation level and cost of living pressures have affected these sectors as well as the wider economy. The Company's businesses are subject to competition from other distributors, manufacturers and retailers. These risks are managed by management continually monitoring the markets and adapting our strategy so that the Company continues to provide a compelling service to customers.

**Global political & trade risk**

The Company imports products into the UK and Europe from many regions including the Far East. The group remains subject to the risk of political change, policies, taxes and duties from the sources of these activities. The group seeks to diversify sources of supply to minimise over reliance on any one geographical region.

**Foreign currency risk**

The Company mainly transacts in three currencies, Sterling, Euro, and US Dollar and is hence exposed to foreign currency risk. This is de-risked through regular review of demand and financial hedging on a quarterly basis out into the future. There are also some natural currency hedges between the UK and Europe.

**Credit risk**

The Company provides credit terms to many customers and there is an associated risk that outstanding balances are not paid as they fall due. Management policies require credit checks on potential customers before transactions are made and review of these checks on an ongoing basis. The exposure to any one customer is controlled through a credit limit which is monitored on an ongoing basis.

**Systems risk**

Information Technology Systems are important to the Company's operations. Any loss of these systems would limit the ability of the organisation to deliver our service to the customer. The Company has constant review of risks to IT and has a disaster recovery plan in place to minimise potential downtime in the event of an issue.

## **DORMOLE LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **STAKEHOLDERS AND DIRECTORS' DUTIES UNDER SECTION 172 OF THE COMPANIES ACT 2006**

The Board takes into consideration the interests of stakeholders in their decision making.

##### **Our people**

Our people are at the heart of the Company. We have over 1,100 colleagues within a variety of branches and departments, including warehousing, transport, purchasing, sales, distribution centres, accounts and central head office. The Company continues to improve its support to colleagues, including through leadership courses, wider training and development opportunities, apprenticeships and health and wellbeing programmes.

We look after our people through creating safe, rewarding and fulfilling work, in a supportive culture with values established by our founders. In addition, our shareholders share profits with all employees through bonus schemes.

Branch managers and their teams have daily engagement with their colleagues. Wider engagement is through our Group magazine and site visits by the Senior Management and the Board. We specifically have governance committees involving employee representatives, which oversee the Company's pension schemes and review their structure and performance, on behalf of the Company and our employees.

Our people have been affected by the difficult economic environment, and inflationary increases on cost of living. We have offered both financial and non-financial support to colleagues and, in particular, have sought to mitigate this through a tiered approach to annual pay award for 2023, with lower salaried colleagues receiving higher percentage increases. We believe that a working environment that shows understanding of the cost-of-living pressure on employees is the best way to attract, retain and support great people.

##### **Our customers**

Key to the success and growth of the Company are our broad range of customers. The Company continues to focus on our 'par excellence' service proposition to all customers, so that we can support them in responding to the changes in consumer demand and enable them to grow their business. We have a strong proposition offering the widest range of brands, technical product advice, sales support, marketing, merchandising and promotions underpinned by excellent stock availability, next day delivery and credit, all at competitive prices due to our scale.

We engage with our customers through sales representatives, divisional and branch managers, dedicated service teams, trade shows and B2B channels. We have recently undertaken customer surveys in both our Fixings and Toolbank divisions and derive great benefit from such feedback.

Our customers have faced inflationary increases in their own operational costs and lower sales volumes due to the cost-of-living crisis suppressing certain market segments. We are providing more efficient ways to place orders (digital B2B) and providing competitive advantage through promotions and new product launches.

##### **Our suppliers**

Our relationships with suppliers are a key focus to ensure the Company can supply third party and exclusive brands at competitive prices in a timely manner to our customers and ultimately to the end-consumers. We work with suppliers across the globe manufacturing a diverse range of products and provide them with a cost efficient and effective route to market for their products to a fragmented customer base.

We visit suppliers' sites and premises and regularly discuss sales data, product ranges and customer insights. We also engage on sustainability matters, including on managing the risk in the supply chain of areas of modern slavery.

Suppliers have faced an increase in their own operational costs, and we have worked together to ensure products have a competitive advantage.

##### **Our communities and the environment**

The Group contributes to local communities by employment in our branches and focussing on local recruitment. A recruitment referral scheme is in operation whereby employees can receive an incentive for referring people they know who are recruited and successfully complete their probation period. An apprenticeship programme is in place helping to enrol new colleagues who wish to obtain workplace qualifications.

The Group has set aside funding for charitable donations, many of which relate to employee activities and go to causes in their local communities.

The Group has also developed a greater understanding of its impact on the environment and how this could be mitigated with several decarbonisation actions being pursued with a view to reducing operational carbon emissions, and ultimately benefiting communities.

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## **DORMOLE LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Shareholders**

The owners of the Company continue to show a close interest in the business. Dialogue is frequent on performance, maintaining the founders' values and ethos, environmental matters and strategy and shareholders are represented on the Board. Family members of shareholders are employed in the business. Our open discussions ensure investment is made for the future and the Company can continue to grow market share.

#### **High standards of business conduct**

The Company continues to operate with the highest levels of conduct underpinned by our values of fairness, honesty, integrity, loyalty and commitment which are firmly embedded across our business. Policies are also in place to maintain the highest standards in addressing modern slavery, anti-bribery and discrimination. The Board monitor these policies through the ordinary course of business to ensure they are complied with. The Board seek to understand the impact of its decisions on each stakeholder and balance them with the long-term strategy and success of the Company.

#### **Directors' duties**


Following consideration of the information contained above, the Board considers it has fulfilled its duty in respect of Section 172 of the Companies Act 2006, both individually and collectively, and that it has acted in the way it considers would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) (a) to (f) of the Act) in the decisions taken during the year ended 31 December 2022.

#### **LOOKING FORWARD**

The Company continues to focus on providing a service 'par excellence' to our customers and expansion through organic growth, investment in IT and distribution capability and acquisition.

The Board would like to thank all our employees for their commitment and hard work. We are also very grateful for the support of our customers and suppliers and all those that have played a part in helping to deliver our performance for 2022.

By order of the board

DocuSigned by:  
  
C47CE39654A74AC...  
P J Lawrence  
**Chairman**

13 September 2023

## **DORMOLE LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of the group continued to be the sale of hand tools, power tools, fixings, hardware, and accessories. The review of the business is contained in the Strategic Report of the Chairman.

#### **Results and dividends**

The results for the year are set out on page 11.

The directors have declared and paid an interim dividend of 32.5p and propose a further dividend of 35.5p.

In addition, they will be recommending to the shareholders a second interim dividend of 132p.

Dividends of £3,125 have been paid on the 83,333 7.5% preference shares for the year ended 31 December 2022.

Dividends of £7,166 have been paid on the 125,000 convertible preference shares for the year ended 31 December 2022.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B G K Brice (resigned 31 December 2022)

A J T Strong

W S Flory

J N Christie (resigned 4 July 2023)

T J Strong

A W Hill (appointed 26 April 2022)

P J Lawrence (appointed 26 April 2022)

#### **Market value of land and buildings**

Land and buildings are shown consistently at depreciated cost price which the directors consider to be a fair representation of their intrinsic value.

#### **Disabled persons**

The group's policy is to be unbiased when dealing with jobs that might be suitable for disabled persons. All necessary assistance with training is given to all staff.

#### **Employee involvement**

The group's policy is to consult and discuss with employees matters likely to affect employees' interests, and information is communicated through local managers.

#### **Future developments**

It is intended that future developments should continue to be in our existing fields of activity.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Clarkson Hyde LLP be reappointed as auditor of the group will be put at a General Meeting.

**DORMOLE LIMITED****DIRECTORS' REPORT (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****Energy and carbon report***Greenhouse gas emissions*

	<b>2022</b>	<b>2021</b>
	<b>emissions</b>	<b>emissions</b>
	<b>('000 tCO<sub>2</sub>e)</b>	<b>('000 tCO<sub>2</sub>e)</b>
Scope 1 - combustion of fuel and operation of facilities (Natural gas)	411	549
Scope 1 - combustion of fuel and operation of facilities (Liquid fuel)	1,921	1,811
Scope 2 - emissions from purchase of energy	454	724
Scope 3 - emissions from third party transport	48	182
<b>Total emissions</b>	<b>2,834</b>	<b>3,266</b>
<b>Emission intensity (tonnes per £1m of revenue)</b>	<b>10.42</b>	<b>10.64</b>

*Streamlined energy reporting*

	<b>2022</b>	<b>2021</b>
	<b>(MWh)</b>	<b>(MWh)</b>
- Gas combustion	2,282	2,705
- Fuel consumed for transport	7,196	7,229
- Electricity purchased	2,374	3,412

*Quantification and reporting methodology*

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

*Measures taken to improve energy efficiency*

Dormole recognises the need to make progress further than the regulations. We have calculated a companywide carbon footprint of our Scope 1, 2 and 3 greenhouse gas emissions to the UN recognised GHG Protocol standard. We are using this information to develop a carbon reduction strategy to provide year on year sustained benefits to the environment.

Dormole has taken the following measures to improve energy efficiency in 2022. The company formed the environmental committee, implemented a groupwide temperature policy, tasked all sites with improving recycling rates and getting new waste management partners in place. This achieved a recycling rate of 80% by weight over the year. Dormole has been able to move over 40% of our energy contracts to use entirely renewable fuel mixes. For our private vehicle fleet, we reduced our average g/km CO<sub>2</sub> from 110.83 to 35.52 as our staff transition from internal combustion engine vehicles to electric and hybrids.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

By order of the board

DocuSigned by:

*Natasha Hussain*  
F7C9BE6AD03A461...  
N Hussain

**Secretary**

13 September 2023

**DORMOLE LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

## **DORMOLE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF DORMOLE LIMITED**

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#### **Opinion**

We have audited the financial statements of Dormole Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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

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

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

#### **Other information**

The 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.

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

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

## **DORMOLE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF DORMOLE LIMITED**

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

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

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent 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.

We gained an understanding of the legal and regulatory framework applicable to the group and company and the industries in which they operate, and considered the risk of acts by the group and company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above 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. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**DORMOLE LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF DORMOLE LIMITED**

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**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.

DocuSigned by:

*Graham Speck*

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**Graham Speck (Senior Statutory Auditor)**

**For and on behalf of Clarkson Hyde LLP**

13 September 2023

**Chartered Accountants**

**Statutory Auditor**

3rd Floor  
Chancery House  
St Nicholas Way  
Sutton  
Surrey  
SM1 1JB

**DORMOLE LIMITED****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
<b>Turnover</b>	<b>3</b>	272,309	306,975
Cost of sales		(191,315)	(222,320)
<b>Gross profit</b>		80,994	84,655
Distribution costs		(19,253)	(17,518)
Administrative expenses		(40,275)	(38,019)
Other operating income		278	546
<b>Operating profit</b>	<b>4</b>	21,744	29,664
Share of results of associates and joint ventures		203	225
Interest receivable and similar income	<b>8</b>	139	61
Interest payable and similar expenses	<b>9</b>	(323)	(223)
<b>Profit before taxation</b>		21,763	29,727
Tax on profit	<b>10</b>	(3,070)	(4,916)
<b>Profit for the financial year</b>		18,693	24,811

Profit for the financial year is all attributable to the owners of the parent company.

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

**DORMOLE LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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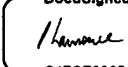
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit for the year</b>	18,693	24,811
	<u>          </u>	<u>          </u>
<b>Other comprehensive income</b>		
Actuarial loss on defined benefit pension schemes	(3,352)	(988)
Currency translation differences	558	(501)
	<u>          </u>	<u>          </u>
<b>Other comprehensive income for the year</b>	(2,794)	(1,489)
	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the year</b>	15,899	23,322
	<u>          </u>	<u>          </u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

**DORMOLE LIMITED****GROUP BALANCE SHEET****AS AT 31 DECEMBER 2022**

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	13		32,471		33,515
Investments	14		3,969		3,766
			<u>36,440</u>		<u>37,281</u>
<b>Current assets</b>					
Stocks	17	82,545		66,647	
Debtors	18	44,798		43,778	
Cash at bank and in hand		45,338		50,516	
		<u>172,681</u>		<u>160,941</u>	
<b>Creditors: amounts falling due within one year</b>	19	(39,668)		(40,366)	
<b>Net current assets</b>			<u>133,013</u>		<u>120,575</u>
<b>Total assets less current liabilities</b>			<u>169,453</u>		<u>157,856</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(4,541)		(5,265)
<b>Provisions for liabilities</b>					
Deferred tax liability	23	393		172	
		<u>393</u>	<u>(393)</u>	<u>172</u>	<u>(172)</u>
<b>Net assets</b>			<u><u>164,519</u></u>		<u><u>152,419</u></u>
<b>Capital and reserves</b>					
Called up share capital	25		1,800		2,389
Share premium account	26		5,425		4,836
Profit and loss reserves	27		157,294		145,194
<b>Total equity</b>			<u><u>164,519</u></u>		<u><u>152,419</u></u>

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

DocuSigned by:  
  
 C47CE39854A74AC...  
 P J Lawrence  
**Director**

Company registration number 01156193 (England and Wales)

**DORMOLE LIMITED****COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2022**

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	13		21,406		22,071
Investments	14		125,833		115,416
			<u>147,239</u>		<u>137,487</u>
<b>Current assets</b>					
Stocks	17	19,264		11,835	
Debtors	18	26,490		25,572	
Cash at bank and in hand		36		24	
		<u>45,790</u>		<u>37,431</u>	
<b>Creditors: amounts falling due within one year</b>	19	(26,781)		(19,942)	
<b>Net current assets</b>			<u>19,009</u>		<u>17,489</u>
<b>Total assets less current liabilities</b>			166,248		154,976
<b>Creditors: amounts falling due after more than one year</b>	20		(1,647)		(2,452)
<b>Provisions for liabilities</b>					
Deferred tax liability	23	82	(82)	105	(105)
<b>Net assets</b>			<u>164,519</u>		<u>152,419</u>
<b>Capital and reserves</b>					
Called up share capital	25		1,800		2,389
Share premium account	26		5,425		4,836
Non distributable reserve			98,944		88,755
Profit and loss reserves	27		58,350		56,439
<b>Total equity</b>			<u>164,519</u>		<u>152,419</u>

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

DocuSigned by:

C47CE39854A74AC...  
P J Lawrence**Director****Company Registration No. 01156193**

**DORMOLE LIMITED**

**GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total controlling interest £'000	Non-controlling interest £'000	Total £'000
<b>Balance at 1 January 2021</b>		2,758	4,467	125,692	132,917	255	133,172
<b>Year ended 31 December 2021:</b>							
Profit for the year		-	-	24,811	24,811	-	24,811
Other comprehensive income:							
Actuarial loss on defined benefit plans		-	-	(988)	(988)	-	(988)
Currency translation differences on overseas subsidiaries		-	-	(501)	(501)	-	(501)
Total comprehensive income for the year		-	-	23,322	23,322	-	23,322
Issue of share capital	25	6	(6)	-	-	-	-
Dividends	11	-	-	(2,702)	(2,702)	-	(2,702)
Reduction of shares	25	(375)	375	-	-	-	-
Acquisition of subsidiary		-	-	-	-	(255)	(255)
Purchase of shares in subsidiary from non-controlling interest		-	-	(1,118)	(1,118)	-	(1,118)
<b>Balance at 31 December 2021</b>		2,389	4,836	145,194	152,419	-	152,419

**DORMOLE LIMITED****GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total controlling interest £'000	Non- controlling interest £'000	Total £'000
<b>Year ended 31 December 2022:</b>							
Profit for the year		-	-	18,693	18,693	-	18,693
Other comprehensive income:							
Actuarial loss on defined benefit plans		-	-	(3,352)	(3,352)	-	(3,352)
Currency translation differences on overseas subsidiaries		-	-	558	558	-	558
Total comprehensive income for the year		-	-	15,899	15,899	-	15,899
Issue of share capital	25	11	(11)	-	-	-	-
Dividends	11	-	-	(3,799)	(3,799)	-	(3,799)
Reduction of shares	25	(600)	600	-	-	-	-
<b>Balance at 31 December 2022</b>		<u>1,800</u>	<u>5,425</u>	<u>157,294</u>	<u>164,519</u>	<u>-</u>	<u>164,519</u>

**DORMOLE LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Share capital £'000	Share premium account £'000	Non distributable reserve £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 January 2021</b>		2,758	4,467	74,621	51,071	132,917
<b>Year ended 31 December 2021:</b>						
Profit for the year		-	-	-	9,058	9,058
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	14,134	-	14,134
Actuarial loss on defined benefit plans		-	-	-	(988)	(988)
Total comprehensive income for the year		-	-	14,134	8,070	22,204
Issue of share capital	25	6	(6)	-	-	-
Dividends	11	-	-	-	(2,702)	(2,702)
Reduction of shares	25	(375)	375	-	-	-
<b>Balance at 31 December 2021</b>		2,389	4,836	88,755	56,439	152,419
<b>Year ended 31 December 2022:</b>						
Profit for the year		-	-	-	9,062	9,062
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	10,189	-	10,189
Actuarial loss on defined benefit plans		-	-	-	(3,352)	(3,352)
Total comprehensive income for the year		-	-	10,189	5,710	15,899
Issue of share capital	25	11	(11)	-	-	-
Dividends	11	-	-	-	(3,799)	(3,799)
Reduction of shares	25	(600)	600	-	-	-
<b>Balance at 31 December 2022</b>		1,800	5,425	98,944	58,350	164,519

**DORMOLE LIMITED****GROUP STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash generated from operations	30		5,547		14,818
Interest paid			(352)		(229)
Income taxes paid			(2,627)		(4,957)
<b>Net cash inflow from operating activities</b>			2,568		9,632
<b>Investing activities</b>					
Purchase of intangible assets		(25)		-	
Purchase of tangible fixed assets		(1,146)		(1,133)	
Proceeds from disposal of tangible fixed assets		640		431	
Proceeds from disposal of investment property		-		430	
Dividends received		139		-	
Income received from investments		-		61	
<b>Net cash used in investing activities</b>			(392)		(211)
<b>Financing activities</b>					
Repayment of bank loans		(1,055)		(1,436)	
Payment of finance leases obligations		(796)		(991)	
Purchase of shares in subsidiary from non-controlling interest		-		(491)	
Dividends paid to equity shareholders		(3,799)		(2,702)	
<b>Net cash used in financing activities</b>			(5,650)		(5,620)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(3,474)		3,801
Cash and cash equivalents at beginning of year			45,113		41,623
Effect of foreign exchange rates			423		(311)
<b>Cash and cash equivalents at end of year</b>			42,062		45,113
<b>Relating to:</b>					
Cash at bank and in hand			45,338		50,516
Bank overdrafts included in creditors payable within one year			(3,276)		(5,403)

## **DORMOLE LIMITED**

### **NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **1 Accounting policies**

##### **Company information**

Dormole Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Long Reach, Galleon Boulevard, Crossways Business Park, Dartford, Kent, DA2 6QE.

The group consists of Dormole Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £9,062,000 (2021: £9,058,000).

##### **1.2 Basis of consolidation**

The consolidated financial statements incorporate those of Dormole Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control is deemed to have passed.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.3 Going concern**

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

**1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.5 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	0-2% straight line
Land and buildings Leasehold	The shorter of the term of the lease or 50 years
Computer equipment	20-100% straight line (hardware) and 20- 50% straight line (software)
Fixtures, fittings & equipment	10-33.3% straight line
Motor vehicles	25% reducing balance (cars) and 33.3% straight line (vans)

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

**1.7 Fixed asset investments**

Equity instruments are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at fair value with changes recognised in other comprehensive income.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)**

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

**1.8 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cost is calculated using the weighted average method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of 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 group after deducting all of its liabilities.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)*****Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

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

**1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

**1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.15 Retirement benefits**

Until 30 September 2001 the group operated a defined benefit (DB) section in the Toolbank Retirement Benefits Scheme. On 30 September 2001 the group closed the DB section both to new members and future accruals.

**Defined contributions**

From 1 October 2001 it operated a defined contribution (DC) section within the scheme. On 31 July 2012 the DC section was closed to new members but not to future accrual. During 2021 the DC section's members' benefits and contributions were transferred to the Legal & General Mastertrust. The DC section was then closed.

Members defined contributions to the Legal & General Mastertrust are charged to the profit and loss account in accordance with FRS 102.

**Defined benefits**

For the DB section, the amounts charged to operating profit are the costs of any plan benefit changes, settlements and curtailments.

During 2022 the trustees purchased an insurance policy that contractually obliges the insurance company to pay members' future benefits. This removes investment, interest rate, inflation and longevity risk from the scheme. The policy covers all the scheme's liabilities. Its value is set equal to the scheme's liabilities.

The net interest expense on the net DB liability, from unwinding the discount by one year, is determined by multiplying the net defined benefit liability by the discount rate, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the profit and loss account as other finance cost. Given that the scheme's asset, the insurance policy, is valued equal to liabilities, future net interest cost is expected to be nil.

Remeasurement changes comprise actuarial gains and losses on the DB liability, the effect of the asset ceiling and the return on the DB assets, excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods. Given that the scheme's asset, the insurance policy, is valued equal to liabilities, future net remeasurement changes are expected to be nil.

**1.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**1.17 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****2 Judgements and key sources of estimation uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

	2022 £'000	2021 £'000
<b>Turnover analysed by class of business</b>		
Sales of tools and fixings	272,309	306,975

	2022 £'000	2021 £'000
<b>Turnover analysed by geographical market</b>		
United Kingdom	230,705	261,996
EU Countries	41,604	44,979
	272,309	306,975

	2022 £'000	2021 £'000
<b>Other revenue</b>		
Dividends received	139	-

**4 Operating profit**

	2022 £'000	2021 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(2,570)	(2,810)
Depreciation of owned tangible fixed assets	2,520	2,593
Depreciation of tangible fixed assets held under finance leases	306	363
Profit on disposal of tangible fixed assets	(329)	(234)
Amortisation of intangible assets	25	-

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****5 Auditor's remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	32	30
Audit of the financial statements of the company's subsidiaries	153	139
	<u>185</u>	<u>169</u>
<b>For other services</b>		
Taxation compliance services	27	26
Other taxation services	-	2
All other non-audit services	51	45
	<u>78</u>	<u>73</u>

**6 Employees**

The average monthly number of persons (including directors) employed by the group and company during the year was:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Distribution and service	668	632	101	95
Administration and management	486	500	130	141
Total	<u>1,154</u>	<u>1,132</u>	<u>231</u>	<u>236</u>

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	41,391	42,091	11,616	12,083
Pension costs	3,848	3,073	2,041	1,564
	<u>45,239</u>	<u>45,164</u>	<u>13,657</u>	<u>13,647</u>

**7 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration for qualifying services	939	886
Company pension contributions to defined contribution schemes	10	48
Sums paid to third parties for directors' services	28	62
	<u>977</u>	<u>996</u>

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****7 Directors' remuneration****(Continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration for qualifying services	275	262
Company pension contributions to defined contribution schemes	8	-
	<u>283</u>	<u>262</u>
<b>8 Interest receivable and similar income</b>		
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Other income from investments</b>		
Dividends received	139	-
<b>Income from fixed asset investments</b>		
Income from participating interests - associates	-	61
	<u>139</u>	<u>61</u>
Total income	<u>139</u>	<u>61</u>
<b>9 Interest payable and similar expenses</b>		
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Interest on bank overdrafts and loans	315	186
Interest on finance leases and hire purchase contracts	35	42
Net interest on the net defined benefit liability	(29)	(6)
Other interest	2	1
	<u>323</u>	<u>223</u>
Total finance costs	<u>323</u>	<u>223</u>
<b>10 Taxation</b>		
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	2,814	4,490
Adjustments in respect of prior periods	2	(1)
	<u>2,816</u>	<u>4,489</u>
Total current tax	<u>2,816</u>	<u>4,489</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	221	427
Adjustment in respect of prior periods	33	-
	<u>254</u>	<u>427</u>
Total deferred tax	<u>254</u>	<u>427</u>
Total tax charge	<u>3,070</u>	<u>4,916</u>

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****10 Taxation****(Continued)**

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation	21,763	29,727
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	4,135	5,648
Tax effect of expenses that are not deductible in determining taxable profit	34	68
Tax effect of income not taxable in determining taxable profit	(39)	(43)
Tax effect of utilisation of tax losses not previously recognised	-	(473)
Unutilised tax losses carried forward	(271)	(601)
Change in unrecognised deferred tax assets	221	427
Permanent capital allowances in excess of depreciation	(563)	(526)
Depreciation on assets not qualifying for tax allowances	531	508
Amortisation on assets not qualifying for tax allowances	5	-
Other permanent differences	1	10
Effect of overseas tax rates	(142)	(105)
Under/(over) provided in prior years	35	(1)
Dividend income	(26)	(11)
Foreign exchange differences	(68)	38
Other timing differences	(721)	21
(Profit)/loss on disposal of assets	(62)	(44)
Taxation charge	3,070	4,916

**11 Dividends**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Recognised as distributions to equity holders:		
Ordinary and Preference paid	3,799	2,702

**12 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 January 2022	-
Additions	25
At 31 December 2022	25
<b>Amortisation and impairment</b>	
At 1 January 2022	-
Amortisation charged for the year	25
At 31 December 2022	25

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****12 Intangible fixed assets****(Continued)****Carrying amount**

At 31 December 2022

-

At 31 December 2021

-

**13 Tangible fixed assets**

<b>Group</b>	<b>Land and buildings Freehold £'000</b>	<b>Land and buildings Leasehold £'000</b>	<b>Computer equipment £'000</b>	<b>Fixtures, fittings &amp; equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 January 2022	31,834	1,743	3,700	10,611	6,247	54,135
Additions	-	-	394	329	1,235	1,958
Disposals	(54)	-	(28)	(85)	(1,586)	(1,753)
Exchange adjustments	131	-	24	33	1	189
At 31 December 2022	31,911	1,743	4,090	10,888	5,897	54,529
<b>Depreciation and impairment</b>						
At 1 January 2022	5,136	807	2,729	7,947	4,001	20,620
Depreciation charged in the year	510	153	451	776	936	2,826
Eliminated in respect of disposals	(16)	-	(27)	(81)	(1,318)	(1,442)
Exchange adjustments	9	-	18	26	1	54
At 31 December 2022	5,639	960	3,171	8,668	3,620	22,058
<b>Carrying amount</b>						
At 31 December 2022	26,272	783	919	2,220	2,277	32,471
At 31 December 2021	26,698	936	971	2,664	2,246	33,515

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****13 Tangible fixed assets****(Continued)**

<b>Company</b>	<b>Land and buildings Freehold £'000</b>	<b>Land and buildings Leasehold £'000</b>	<b>Computer equipment £'000</b>	<b>Fixtures, fittings &amp; equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 January 2022	24,341	1,068	1,991	2,533	938	30,871
Additions	-	-	125	10	103	238
Disposals	-	-	(23)	(66)	(333)	(422)
At 31 December 2022	24,341	1,068	2,093	2,477	708	30,687
<b>Depreciation and impairment</b>						
At 1 January 2022	4,224	470	1,618	1,887	601	8,800
Depreciation charged in the year	372	59	168	124	86	809
Eliminated in respect of disposals	-	-	(23)	(66)	(239)	(328)
At 31 December 2022	4,596	529	1,763	1,945	448	9,281
<b>Carrying amount</b>						
At 31 December 2022	19,745	539	330	532	260	21,406
At 31 December 2021	20,117	598	373	646	337	22,071

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	<b>Group 2022 £'000</b>	<b>2021 £'000</b>	<b>Company 2022 £'000</b>	<b>2021 £'000</b>
Fixtures, fittings & equipment	-	414	-	-
Motor vehicles	1,121	1,038	-	58
	1,121	1,452	-	58

**14 Fixed asset investments**

	<b>Notes</b>	<b>Group 2022 £'000</b>	<b>2021 £'000</b>	<b>Company 2022 £'000</b>	<b>2021 £'000</b>
Investments in subsidiaries	15	-	-	123,107	112,893
Investments in associates	16	3,448	3,245	2,726	2,523
Loans to associates	16	521	521	-	-
		3,969	3,766	125,833	115,416

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****14 Fixed asset investments****(Continued)****Movements in fixed asset investments**

<b>Group</b>	<b>Shares £'000</b>	<b>Loans £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 1 January 2022	3,245	521	3,766
Valuation changes	203	-	203
At 31 December 2022	3,448	521	3,969
<b>Carrying amount</b>			
At 31 December 2022	3,448	521	3,969
At 31 December 2021	3,245	521	3,766

**Movements in fixed asset investments**

<b>Company</b>	<b>Shares £'000</b>
<b>Cost or valuation</b>	
At 1 January 2022	115,416
Additions	25
Valuation changes	10,392
At 31 December 2022	125,833
<b>Carrying amount</b>	
At 31 December 2022	125,833
At 31 December 2021	115,416

**15 Subsidiaries**

Details of the company's trading subsidiaries at 31 December 2022 are as follows:

<b>Name of undertaking</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Class of shares held</b>	<b>% Held</b>	
				<b>Direct</b>	<b>Indirect</b>
Curtis Holt Limited	England	Tool Distributor	Ordinary	100.00	-
Finnie & Co Limited	Scotland	Tool Distributor	Ordinary	-	100.00
C.A. Clemson & Sons Limited	England	Tool Distributor	Ordinary	100.00	-
Tucks O'Brien Limited	Rep of Ireland	Tool Distributor	Ordinary	100.00	-
QFF Distribution Limited	Rep of Ireland	Fixings Distributor	Ordinary	100.00	-
Galleon Investments (Dartford) Limited	England	Investment Company	Ordinary	100.00	-
Forgefix Limited	England	Fixings Distributor	Ordinary	-	100.00
Olympia Tools (UK) Limited	England	Tool Distributor	Ordinary	-	100.00
Biz Power Tools Limited	England	Tool Distributor	Ordinary	-	100.00
Harrison & Clough, Limited	England	Fixings Distributor	Ordinary	-	100.00
Complete Distribution & Logistics Europe B.V.	Netherlands	Tool Distributor	Ordinary	100.00	-

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****16 Associates**

Details of associates at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Etablissements Denuzière SAS	France	Tool Distributor	Ordinary	46.00	-
Home Hardware Distribution Limited	England	Hardware and Horticultural Goods Distributor	Ordinary	-	35.00

**17 Stocks**

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Finished goods and goods for resale	82,545	66,647	19,264	11,835

Stock recognised in cost of sales during the year as an expense was £168,163,000 (2021: £204,070,000) (Company: £51,998,000 (2021: £56,279,000)).

**18 Debtors**

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
<b>Amounts falling due within one year:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	40,076	38,932	2,597	549
Amounts owed by group undertakings	-	-	16,112	14,177
Amounts owed by undertakings in which the company has a participating interest	205	205	-	-
Other debtors	533	247	7,042	10,159
Prepayments and accrued income	3,984	4,394	739	687
	<u>44,798</u>	<u>43,778</u>	<u>26,490</u>	<u>25,572</u>

**19 Creditors: amounts falling due within one year**

		Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
	Notes	£'000	£'000	£'000	£'000
Bank loans and overdrafts	21	4,081	6,458	16,472	10,781
Obligations under finance leases	22	611	676	1	13
Trade creditors		7,168	5,629	6,646	6,359
Amounts owed to group undertakings		-	-	270	812
Corporation tax payable		(10)	(232)	(2,091)	(3,537)
Other taxation and social security		6,846	7,449	292	263
Other creditors		573	398	335	325
Accruals and deferred income		20,399	19,988	4,856	4,926
		<u>39,668</u>	<u>40,366</u>	<u>26,781</u>	<u>19,942</u>

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****20 Creditors: amounts falling due after more than one year**

		<b>Group</b>		<b>Company</b>	
	<b>Notes</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	<b>21</b>	1,647	2,452	1,647	2,452
Obligations under finance leases	<b>22</b>	296	215	-	-
Other creditors		2,598	2,598	-	-
		<u>4,541</u>	<u>5,265</u>	<u>1,647</u>	<u>2,452</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	77	387	77	387
	<u>77</u>	<u>387</u>	<u>77</u>	<u>387</u>

**21 Loans and overdrafts**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans	2,452	3,507	2,452	3,507
Bank overdrafts	3,276	5,403	15,667	9,726
	<u>5,728</u>	<u>8,910</u>	<u>18,119</u>	<u>13,233</u>
Payable within one year	4,081	6,458	16,472	10,781
Payable after one year	1,647	2,452	1,647	2,452
	<u>1,647</u>	<u>2,452</u>	<u>1,647</u>	<u>2,452</u>

The long-term loans are secured by fixed charges over the group's properties.

**22 Finance lease obligations**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Future minimum lease payments due under finance leases:				
Within one year	650	697	1	13
In two to five years	303	218	-	-
	<u>953</u>	<u>915</u>	<u>1</u>	<u>13</u>
Less: future finance charges	(46)	(24)	-	-
	<u>907</u>	<u>891</u>	<u>1</u>	<u>13</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****23 Deferred taxation**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
Accelerated capital allowances	511	245
Retirement benefit obligations	-	(19)
Rolled over capital gain	282	-
Other timing differences	(400)	(54)
	<u>393</u>	<u>172</u>
	<u><u>393</u></u>	<u><u>172</u></u>
	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Company</b>		
Accelerated capital allowances	368	361
Other timing differences	(286)	(256)
	<u>82</u>	<u>105</u>
	<u><u>82</u></u>	<u><u>105</u></u>
	<b>Group</b>	<b>Company</b>
	<b>2022</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Movements in the year:</b>		
Liability at 1 January 2022	172	105
Charge/(credit) to profit or loss	221	(23)
	<u>393</u>	<u>82</u>
Liability at 31 December 2022	<u><u>393</u></u>	<u><u>82</u></u>

**24 Retirement benefit schemes**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	3,520	2,905
	<u>3,520</u>	<u>2,905</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022****24 Retirement benefit schemes****(Continued)****Defined benefit scheme - group and company**

The group participates in the Toolbank Retirement Benefits Scheme, which operates in the UK. The scheme has a defined benefit (DB) section providing final salary benefits in respect of service up to 30 September 2001.

On 1 October 2001 a defined contribution (DC) section was introduced and the basis of benefit provision was switched to this section for all employees for service from that date. In 2021 DC members' benefits and future contributions were transferred to the Legal & General Mastertrust.

For members in service at 30 September 2001 DB section benefits accrued up to that date are revalued until retirement at a rate of 1% per annum above increases in the RPI, subject to a maximum increase of 6% per annum.

During 2022 the trustees purchased an insurance policy that contractually obliges the insurance company to pay members' future benefits. The trustees remain legally responsible for paying those benefits. The insurance policy now funds the scheme, which no longer has investment, interest rate, inflation or longevity risk. The policy's value equals the liabilities. The discount rate moved from 1.8% to 5% over 2022, reducing the liabilities by £16.9m and the policy value by £17.4m.

The actuarial valuation was updated to 31 December 2022. The major assumptions used by the actuary were (in nominal terms):

	2022	2021
<i>Key assumptions</i>	%	%
Discount rate	5.00	1.80
Expected rate of increase of pensions in payment	3.20	3.40
Deferred pension revaluation - pre 30 Sept 2001 leavers (RPI)	3.20	3.40
Deferred pension revaluation - post 30 Sept 2001 leavers (RPI + 1%)	4.20	4.40
Pension increases - pre 1 Apr 1997 (Fixed 3%)	3.00	3.00
	<u>          </u>	<u>          </u>
<i>Mortality assumptions</i>	2022	2021
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	22.6	22.5
- Females	24.4	24.3
	<u>          </u>	<u>          </u>
Retiring in 20 years		
- Males	24.5	24.4
- Females	26.4	26.3
	<u>          </u>	<u>          </u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

<b>Group and company</b>	2022	2021
	£'000	£'000
Present value of defined benefit obligations	26,458	40,581
Fair value of plan assets	(26,458)	(45,834)
	<u>          </u>	<u>          </u>
Surplus in scheme (not recognised)	-	(5,253)
	<u>          </u>	<u>          </u>

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****24 Retirement benefit schemes****(Continued)**

<b>Group and company</b>	<b>2022</b>	<b>2021</b>
<i>Amounts recognised in the profit and loss account</i>	<b>£'000</b>	<b>£'000</b>
Net interest on net defined benefit liability/(asset)	(29)	(6)
Other costs and income	328	168
Total costs	299	162
<b>Group and company</b>	<b>2022</b>	<b>2021</b>
<i>Amounts taken to other comprehensive income</i>	<b>£'000</b>	<b>£'000</b>
Actual return on scheme assets	16,589	(476)
Less: calculated interest element	845	635
Return on scheme assets excluding interest income	17,434	159
Actuarial changes related to obligations	(14,082)	829
Total costs	3,352	988
<b>Group and company</b>	<b>2022</b>	
	<b>£'000</b>	
Liabilities at 1 January 2022		40,581
Benefits paid		(1,070)
Actuarial gains and losses		(13,774)
Interest cost		721
At 31 December 2022		26,458

The defined benefit obligations arise from plans which are wholly or partly funded.

<b>Group and company</b>	<b>2022</b>
<i>Movements in the fair value of plan assets</i>	<b>£'000</b>
Fair value of assets at 1 January 2022	45,834
Interest income	845
Return on plan assets (excluding amounts included in net interest)	(22,474)
Benefits paid	(1,070)
Contributions by the employer	3,651
Other	(328)
At 31 December 2022	26,458

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****24 Retirement benefit schemes****(Continued)**

<b>Group and company</b>	<b>2022</b>	<b>2021</b>
<i>Fair value of plan assets at the reporting period end</i>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	-	1,362
Equity instruments	-	5,260
Other growth assets	-	7,418
Government securities/LDI	-	17,615
Corporate bonds	26,458	14,179
	<u>26,458</u>	<u>45,834</u>

**25 Share capital**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>£'000</b>	<b>£'000</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Voting 'A' ordinary shares of £1 each	30,234	29,469	30	29
Non-voting 'B' ordinary shares of £1 each	1,574,589	1,564,459	1,574	1,564
'C' ordinary shares of £1 each	28,731	28,731	29	29
	<u>1,633,554</u>	<u>1,622,659</u>	<u>1,633</u>	<u>1,622</u>
<b>Preference share capital</b>				
<b>Issued and fully paid</b>				
7.5% Non-cumulative preference shares of 50p each	83,333	83,333	42	42
Non-redeemable preference shares of £1 each	125,000	725,000	125	725
	<u>208,333</u>	<u>808,333</u>	<u>167</u>	<u>767</u>
Preference shares classified as equity			<u>167</u>	<u>767</u>
<b>Total equity share capital</b>			<u>1,800</u>	<u>2,389</u>

**26 Share premium account**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At the beginning of the year	4,836	4,467	4,836	4,467
Issue of new shares	(11)	(6)	(11)	(6)
Share capital reduction	600	375	600	375
At the end of the year	<u>5,425</u>	<u>4,836</u>	<u>5,425</u>	<u>4,836</u>

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****27 Profit and loss reserves**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At the beginning of the year	145,194	125,692	56,439	51,071
Profit for the year	18,693	24,811	9,062	9,058
Dividends	(3,799)	(2,702)	(3,799)	(2,702)
Actuarial differences recognised in other comprehensive income	(3,352)	(988)	(3,352)	(988)
Currency translation differences	558	(501)	-	-
Purchase of shares in subsidiary from non-controlling interest	-	(1,118)	-	-
At the end of the year	<u>157,294</u>	<u>145,194</u>	<u>58,350</u>	<u>56,439</u>

**28 Operating lease commitments**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year	185	66	-	-
Between two and five years	2,655	639	1,226	246
In over five years	8,444	9,367	8,422	9,367
	<u>11,284</u>	<u>10,072</u>	<u>9,648</u>	<u>9,613</u>

**29 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Acquisition of tangible fixed assets	<u>117</u>	<u>51</u>	<u>1</u>	<u>7</u>

**DORMOLE LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Cash generated from group operations**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year after tax	18,693	24,811
<b>Adjustments for:</b>		
Share of results of associates and joint ventures	(203)	(225)
Taxation charged	3,070	4,916
Finance costs	323	223
Investment income	(139)	(61)
Gain on disposal of tangible fixed assets	(329)	(234)
Amortisation and impairment of intangible assets	25	-
Depreciation and impairment of tangible fixed assets	2,826	2,956
Pension scheme non-cash movement	(3,323)	(982)
<b>Movements in working capital:</b>		
Increase in stocks	(15,898)	(19,245)
(Increase)/decrease in debtors	(1,020)	4,561
Increase/(decrease) in creditors	1,522	(1,902)
<b>Cash generated from operations</b>	<b>5,547</b>	<b>14,818</b>

**31 Analysis of changes in net funds - group**

	<b>1 January 2022</b>	<b>Cash flows</b>	<b>New finance leases</b>	<b>Exchange rate movements</b>	<b>31 December 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	50,516	(5,601)	-	423	45,338
Bank overdrafts	(5,403)	2,127	-	-	(3,276)
	45,113	(3,474)	-	423	42,062
Borrowings excluding overdrafts	(3,507)	1,055	-	-	(2,452)
Obligations under finance leases	(891)	796	(812)	-	(907)
	40,715	(1,623)	(812)	423	38,703