

CAVENDISH SHIPS STORES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023





CAVENDISH SHIPS STORES LIMITED

COMPANY INFORMATION

Directors	T Hussey M Ishfaq P Murphy A Cole
Company secretary	M Ishfaq
Registered number	01433354
Registered office	40 West Market Building London Central Markets Smithfield London EC1A 9PS
Independent auditor	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

CAVENDISH SHIPS STORES LIMITED

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CAVENDISH SHIPS STORES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2023

Principal activities

The principal activity of the Company continued to be that of ship chandlers and the wholesale supply of food, beverage and consumable items, predominantly to the cruise, ferry and maritime sector.

Business review

During the early months of the reporting year, the cruise sector was in the immediate aftermath of the COVID pandemic. Whilst lockdown and other travel restrictions no longer applied, the market remained nervous of a potential further outbreak.

To mitigate the financial impact of such an outbreak, and to avoid the expensive repositioning of ships to long-haul destinations for what would be a short winter season, cruise companies chose to retain many of their ships in UK waters and operate short duration (3-4 days), short-haul cruises from UK ports.

As with much of the UK travel industry, many bookings purchased immediately prior to the pandemic for travel in 2020 and 2021 were deferred due to global travel restrictions. As a consequence of the removal of all travel restrictions and having made the purchase up to three years previously, many passengers were able to take their cruises in 2022 with little financial impact.

From mid-year, cruise companies had, in the main, returned to full-fleet operation and 100% passenger occupancy.

These unique circumstances, (colloquially referred to as 'rebound') saw the Company achieve unprecedented financial sales together with a break-even position in Q1. As a result, the business was set-up well for the remainder of the year, returning a favourable year-end position.

The Company having returned to a profitable position enabled the pay-down of debt accrued as a result of the pandemic.

Away from the immediate aftermath of the pandemic, cruise companies have reinvigorated their programme of new ship launches, with the majority being in addition to the current fleet rather than replacements for retired vessels. Many new vessels are also larger than those already operating creating disproportionately larger passenger numbers than in previous years.

Environmental Reporting

We operated an average of 3 delivery vehicles during the year with a combined CO2 output of 14.3 grammes.

Principal risks and uncertainties

Cavendish Ships Stores Ltd faces the following key risk:

- Supply to cruise companies is by annual tender. There is strong competition resulting in margin pressure. The company manages these risks by working closely with its customers to provide optimal and innovative solutions to meet strict service level requirements.
- As in all sectors, inflationary pressures through 2022 have continued into 2023. These have impacted the whole supply chain with raw materials, energy and transport costs increasing, often substantially, alongside wage demands and bank charges. Supported by suppliers and customers, the business has worked hard to manage and mitigate the impact.

CAVENDISH SHIPS STORES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

Financial key performance indicators

	2023	2022
Gross margin percentage	9.5%	10.2%
Operating profit percentage	2.1%	-1.7%
Stock days	25.6	49.0
Debtor days	64.9	95.6
Creditor days	34.6	46.9

Future developments

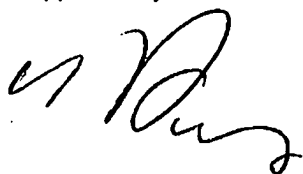
Alongside impressive new-build programmes, most cruise companies have invested heavily in advertising and marketing campaigns aimed at attracting many more passengers from a much broader passenger demographic. There is no evidence to suggest that these build programmes and marketing campaigns will not continue in subsequent years and, in turn, drive Cavendish's expected sales trajectory.

The Company is investing in its employees, both in terms of personal development and in increased absolute numbers, to support its growth ambition. In addition, it has embarked on the development of an improved stock control and warehouse management system and is expanding its logistical capability.

To support both Cavendish's and its customers' increasingly bold sustainability expectations, the Company is partnering with customers, suppliers and third-party providers to reduce reliance on single-use plastic and other environmentally or commercially undesirable components.

The Company therefore retains a positive long-term outlook that is reflected in the latest five-year plan.

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



.....
T Hussey
Director

Date:

18/10/23

CAVENDISH SHIPS STORES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2023

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £498,313 (2022 - loss £277,534).

No interim dividends were paid during the year (2022 - £Nil). The directors do not recommend the payment of a final dividend for the year ended 31 January 2023 (2022 - £Nil).

Directors

The directors who served during the year were:

T Hussey
J Davey (resigned 25 May 2022)
M Ishfaq
D Doyle (resigned 3 April 2023)
A Cole (appointed 25 May 2022)

CAVENDISH SHIPS STORES LIMITED

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

Going concern

Company law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate due to the fact that the directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future on the basis of the agreed financing facilities. Key to this assumption is the continuing support from the parent entity, The Burden Group Limited.

During the first quarter of the year the Company was funded via a centralised financing facility held by the parent company, V C MP Bidco Limited. In April 2022 the company agreed a new invoice discounting facility with Lloyds Bank Commercial Finance Limited. The directors consider that this facility will be sufficient to fund the company's working capital requirements for the next twelve months and beyond. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial instruments

The company has various financial instruments such as cash at bank, trade debtors and trade creditors which arise directly from operations. The main purpose of these instruments is to finance the company's operations and facilitate its trading activities. The company does not enter into derivative transactions.

In respect of bank balances, liquidity risk is managed by monitoring and forecasting cashflows and ensuring that adequate facilities are in place where forecasts indicate that it is prudent to do so.

In respect of trade debtors, credit risk is managed by having policies in place concerning the credit offered to customers and the monitoring debts that are past due.

Matters covered in the Strategic report

Information required to be shown in the Directors' Report, which includes the Business Review, Principal Risks and Uncertainties and Future Developments are shown in the Strategic Report in accordance with S414c (ii) of the Companies Act 2006.

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no post balance sheet events affecting the Company.

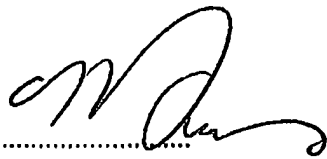
CAVENDISH SHIPS STORES LIMITED

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

Auditor

The auditor, Crowe U.K. LLP, 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.



.....
T Hussey
Director

Date: 18/10/23

CAVENDISH SHIPS STORES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAVENDISH SHIPS STORES LIMITED

Opinion

We have audited the financial statements of Cavendish Ships Stores Limited (the 'Company') for the year ended 31 January 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

CAVENDISH SHIPS STORES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAVENDISH SHIPS STORES LIMITED (CONTINUED)

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.

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 3, 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.

CAVENDISH SHIPS STORES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAVENDISH SHIPS STORES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the cut off of revenue. Our audit procedures to respond to these risks included:

- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence with the company's legal advisors;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- detailed testing of a sample of sales made around the balance sheet date and agreeing these through to invoices, goods despatch notes and bank receipts.
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. This description forms part of our Auditor's report.

CAVENDISH SHIPS STORES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAVENDISH SHIPS STORES
LIMITED (CONTINUED)

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.



Mark Sisson (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Senior Statutory Auditor

Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Date: 23/10/2023

CAVENDISH SHIPS STORES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2023**

	Note	2023 £	2022 £
Turnover	4	35,091,600	17,563,250
Cost of sales		<u>(31,769,342)</u>	<u>(15,765,535)</u>
GROSS PROFIT		3,322,258	1,797,715
Distribution costs		(1,560,126)	(884,440)
Administrative expenses		(1,025,459)	(1,247,296)
Other operating income	5	-	39,051
OPERATING PROFIT/(LOSS)	6	736,673	(294,970)
Interest payable and expenses	9	(124,464)	(33)
PROFIT/(LOSS) BEFORE TAX		612,209	(295,003)
Tax on profit/(loss)	10	(113,896)	17,469
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>498,313</u>	<u>(277,534)</u>

There was no other comprehensive income for 2023 (2022 - £Nil).


The notes on pages 13 to 25 form part of these financial statements.

CAVENDISH SHIPS STORES LIMITED
REGISTERED NUMBER: 01433364

BALANCE SHEET
AS AT 31 JANUARY 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	11	<u>729,918</u>	<u>798,488</u>
		729,918	798,488
CURRENT ASSETS			
Stocks	12	2,231,314	2,116,482
Debtors: amounts falling due within one year	13	6,627,127	4,785,220
Cash at bank and in hand	14	<u>28,338</u>	<u>18,713</u>
		8,886,779	6,920,415
Creditors: amounts falling due within one year	15	<u>(10,138,537)</u>	<u>(8,717,837)</u>
NET CURRENT LIABILITIES		(1,251,758)	(1,797,422)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(521,840)</u>	<u>(998,934)</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	16	<u>(134,160)</u>	<u>(155,379)</u>
		(134,160)	(155,379)
NET LIABILITIES		<u>(656,000)</u>	<u>(1,154,313)</u>
CAPITAL AND RESERVES			
Called up share capital	17	2,928,418	2,928,418
Profit and loss account		<u>(3,584,418)</u>	<u>(4,082,731)</u>
		(656,000)	(1,154,313)

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


.....
M Ishfaq
Director

Date: 18/10/23

The notes on pages 13 to 25 form part of these financial statements.

CAVENDISH SHIPS STORES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2022	2,928,418	(4,082,731)	(1,154,313)
Comprehensive income for the year			
Profit for the year	-	498,313	498,313
Total comprehensive income for the year	-	498,313	498,313
At 31 January 2023	2,928,418	(3,584,418)	(656,000)

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2021	2,928,418	(3,805,197)	(876,779)
Comprehensive income for the year			
Loss for the year	-	(277,534)	(277,534)
Total comprehensive income for the year	-	(277,534)	(277,534)
At 31 January 2022	2,928,418	(4,082,731)	(1,154,313)

The notes on pages 13 to 25 form part of these financial statements.

CAVENDISH SHIPS STORES LIMITED

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

1. General information

The company is a private company, limited by shares, incorporated in England and Wales (registered number 01433354).

The principal activity of the company continued to be that of ship chandlers and wholesale of foodstuffs.

The address of the registered office is:

40 West Market Building
London Central Markets Smithfield
London, EC1A 9PS

The principal place of business is:

2 Kites Croft
Warsash Road
Fareham, Hampshire, PO14 4LW

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 Burden Group Holdings Limited as at 31 January 2023 and these financial statements may be obtained from Companies House.

CAVENDISH SHIPS STORES LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

Company law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate due to the fact that the directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future on the basis of the agreed financing facilities. Key to this assumption is the continuing support from the parent entity, The Burden Group Limited.

During the first quarter of the year the Company was funded via a centralised financing facility held by the parent company, V C MP Bidco Limited. In April 2022 the company agreed a new invoice discounting facility with Lloyds Bank Commercial Finance Limited. The directors consider that this facility will be sufficient to fund the company's working capital requirements for the next twelve months and beyond. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. This is usually at the date of despatch.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Government grants

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

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

CAVENDISH SHIPS STORES LIMITED

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

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

The estimated useful lives range as follows:

Leasehold Property	- 15 years over the period of the lease
Plant & machinery	- 5-25% straight line
Motor vehicles	- 25% straight line

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.

CAVENDISH SHIPS STORES LIMITED

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

2. Accounting policies (continued)

2.10 Operating leases: Lessee

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

2.11 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.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 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.

2.13 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.

2.14 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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

CAVENDISH SHIPS STORES LIMITED

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

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

The directors may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

Stock provision

Non-moving, slow moving and short dated stocks are assessed at the balance sheet date and if it is deemed that there is a material risk that some or all of the stock cannot be sold, then a provision is made.

Recoverability of trade debtors

The risk of debtor default is assessed by reference to overdue amounts and recent payment history. If there is a deemed material risk of non-payment a provision is made.

4. Turnover

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	34,970,967	17,370,130
Rest of Europe	64,038	43,515
Rest of the world	56,595	149,605
	<u>35,091,600</u>	<u>17,563,250</u>

The total turnover for the Company for the year has been derived from its principal activity, ship chandling and the wholesale of foodstuffs.

5. Other operating income

Following the COVID-19 outbreak in March 2020, the Company took advantage of the UK Government's Job Retention Scheme and furloughed a number of its staff. Income received from the scheme in the year was as follows:

	2023 £	2022 £
Government grants receivable	-	39,051
	<u>-</u>	<u>39,051</u>

CAVENDISH SHIPS STORES LIMITED

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

6. Operating profit/(loss)

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

	2023	2022
	£	£
Depreciation of tangible fixed assets	90,050	102,069
Loss/(profit) on disposal of tangible fixed assets	6,388	(2,565)
Operating lease rentals - motor vehicles and equipment	105,162	95,581
Operating lease rentals - land and buildings	315,531	315,531
	<u>315,531</u>	<u>315,531</u>

7. Auditor's remuneration

Fees payable to the Company's auditor in respect of:

	2023	2022
	£	£
Audit of the financial statements	13,850	11,550
Taxation compliance	3,550	3,200
Payroll processing fees	3,704	2,773
iXBRL tagging of the financial statements	275	250
	<u>22,554</u>	<u>17,523</u>

CAVENDISH SHIPS STORES LIMITED

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

8. Employees

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

	2023 £	2022 £
Wages and salaries	1,150,512	654,655
Social security costs	107,371	62,258
Cost of defined contribution scheme	33,120	19,214
	<u>1,291,003</u>	<u>736,127</u>

The directors of Cavendish Ships Stores Limited are remunerated via James Burden Limited.

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

	2023 No.	2022 No.
Office and management	8	7
Sales and distribution	20	20
	<u>28</u>	<u>27</u>

9. Interest payable and similar expenses

	2023 £	2022 £
Other loan interest payable	-	33
Interest payable on financing facilities	124,464	-
	<u>124,464</u>	<u>33</u>

CAVENDISH SHIPS STORES LIMITED

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

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	43,182	-
Group taxation relief	91,933	(504,860)
Total current tax	<u>135,115</u>	<u>(504,860)</u>
Deferred tax		
Origination and reversal of timing differences	(21,219)	592,237
Effect of tax rate change on opening balance	-	(104,846)
Total deferred tax	<u>(21,219)</u>	<u>487,391</u>
Taxation on profit/(loss) on ordinary activities	<u><u>113,896</u></u>	<u><u>(17,469)</u></u>

CAVENDISH SHIPS STORES LIMITED

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

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19.00% (2022 - 19.00%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	612,209	(295,003)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2022 - 19.00%)	116,320	(56,051)
Effects of:		
Expenses not deductible for tax purposes	1,878	794
Plant and machinery super-deduction	-	(293)
Depreciation on non qualifying assets	790	790
Differences due to deferred tax rate being different from the standard corporation tax rate	-	142,137
Effect of tax rate change on opening deferred tax balance	(5,092)	(104,846)
Total tax charge for the year	113,896	(17,469)

Factors that may affect future tax charges

The rate of corporation tax increased from 19% to 25% from 1 April 2023. At the same time, a small companies' rate of 19% will be introduced and marginal relief given for intermediate companies. The main rate applies to companies with profits over £250,000; the small companies' rate to those with profits of £50,000 or less, with marginal tapering for profits in between the thresholds.

CAVENDISH SHIPS STORES LIMITED

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

11. Tangible fixed assets

	Leasehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2022	86,088	1,063,664	65,884	1,215,636
Additions	-	-	28,060	28,060
Disposals	-	(11,943)	(45,103)	(57,046)
At 31 January 2023	<u>86,088</u>	<u>1,051,721</u>	<u>48,841</u>	<u>1,186,650</u>
Depreciation				
At 1 February 2022	16,034	348,925	52,189	417,148
Charge for the year on owned assets	5,837	74,991	9,222	90,050
Disposals	-	(11,943)	(38,523)	(50,466)
At 31 January 2023	<u>21,871</u>	<u>411,973</u>	<u>22,888</u>	<u>456,732</u>
Net book value				
At 31 January 2023	<u>64,217</u>	<u>639,748</u>	<u>25,953</u>	<u>729,918</u>
At 31 January 2022	<u>70,054</u>	<u>714,739</u>	<u>13,695</u>	<u>798,488</u>

12. Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>2,231,314</u>	<u>2,116,482</u>

Included within stock at the balance sheet date is a stock provision of £33,457 (2022 - £16,381). Stock write offs in the year totalled £20,877 (2022 - £206,822).

CAVENDISH SHIPS STORES LIMITED

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

13. Debtors

	2023 £	2022 £
Trade debtors	6,241,671	4,598,767
Amounts owed by group undertakings	28,187	-
Other debtors	143,821	109,819
Prepayments and accrued income	213,448	76,634
	<u>6,627,127</u>	<u>4,785,220</u>

14. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>28,338</u>	<u>18,713</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	2,538,290	2,023,657
Amounts owed to group undertakings	1,031,258	5,266,715
Corporation tax	43,182	-
Other taxation and social security	25,109	16,576
Invoice discounting facility	4,979,457	-
Other creditors	1,031,050	1,028,386
Accruals and deferred income	490,191	382,503
	<u>10,138,537</u>	<u>8,717,837</u>

The invoice discounting facility is secured against the underlying trade debtor balances and an all assets debenture over the assets of the Company. Cross guarantees have been provided by James Burden Limited and Burden Group Holdings Limited, which are secured by an all assets debenture over the assets of those companies.

CAVENDISH SHIPS STORES LIMITED

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

16. Deferred taxation

	2023 £
At beginning of year	(155,379)
Charged to the profit or loss	21,219
At end of year	(134,160)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(135,604)	(156,226)
Other timing differences	1,444	847
	(134,160)	(155,379)

17. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
2,928,418 (2022 - 2,928,418) Ordinary shares of £1.00 each	2,928,418	2,928,418

18. Contingent liabilities

The Company is party to a cross-guarantee given in respect of the commercial finance facilities accorded to James Burden Limited. At 31 January 2023 amounts of £3,138,914 were outstanding under these arrangements.

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. Contributions totalling £5,723 (2022 - £3,388) were payable to the fund at the balance sheet date.

CAVENDISH SHIPS STORES LIMITED

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

20. Commitments under operating leases

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

	2023 £	2022 £
Land and buildings		
Not later than 1 year	315,531	315,531
Later than 1 year and not later than 5 years	1,262,124	1,262,124
Later than 5 years	1,901,831	2,175,003
	<u>3,479,486</u>	<u>3,752,658</u>
	2023 £	2022 £
Motor vehicles		
Not later than 1 year	87,206	49,709
Later than 1 year and not later than 5 years	210,975	19,400
	<u>298,181</u>	<u>69,109</u>

21. Related party transactions

Cavendish Ships Stores Limited has taken advantage of the exemption available under FRS 102 paragraph 33.1A from disclosing transactions with other wholly owned group undertakings whose results are included within the consolidated financial statements of Burden Group Holdings Limited.

22. Ultimate parent undertaking and controlling entity

The immediate parent undertaking is The Burden Group Limited which owns 100% of the issued share capital of the company. The ultimate UK parent undertaking of the Burden Group Limited is VC Capital Limited. The ultimate controlling party is considered to be Patrick Murphy.

At the balance sheet date the company is consolidated into the financial statements of Burden Group Holdings Limited (registered number 06804025). The registered office for Burden Group Holdings Limited is 40 West Market Building, London Central Markets Smithfield, London, EC1A 9PS. Copies of these accounts are available from Companies House.