

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 July 2022
for
KINCH FUEL OILS LIMITED**

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FOR THE YEAR ENDED 31 JULY 2022**

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KINCH FUEL OILS LIMITED

Company Information
FOR THE YEAR ENDED 31 JULY 2022

DIRECTORS: R C Kinch
P M Kinch

SECRETARY: P M Kinch

REGISTERED OFFICE: Redway
Hornbury Hill
Minety
Malmesbury
Wiltshire
SN16 9QH

REGISTERED NUMBER: 01492318 (England and Wales)

AUDITORS: Haines Watts Accountants (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

**Strategic Report
FOR THE YEAR ENDED 31 JULY 2022**

The directors present their strategic report for the year ended 31 July 2022.

REVIEW OF BUSINESS

The company's range of products includes the wholesale supply of gas oil, burning oil and ULSD, with 76.8% of this year's turnover arising from burning oil sales. Year on year the volumes sold of each product are similar, however turnover will be dependent on weather patterns and the changing price of oil.

The company had a profitable year. Turnover increased a significant 60.0% due to the rise in wholesale oil prices resulting from the war in Ukraine and the cost of living crisis. The total volume in litres of products sold in the year has decreased by 4.6% on the previous year.

The average price incurred by the company on burning oil purchases in 2022 was 62.2 pence per litre (2021: 30.1 pence per litre).

The company's gross profit increased 38.3% on the previous year to £3,709k (2021: £2,682k). The gross profit margin for the year decreased to 20.6%, compared to 23.9% in the previous year. Profit before taxation increased by 31.2% to £2,170k (2021: £1,654k).

PRINCIPAL RISKS AND UNCERTAINTIES

At the year end the company had a strong balance sheet with significant cash deposits at its disposal. The fuel industry is set to decline over the long term as customers switch to more environmentally friendly heating solutions, however, demand currently remains high and future profitability is expected. The company is in a good position to deal with any short term adverse trading results, should they arise.

The company deals with its principal risk of fluctuating fuel prices by actively managing its sales prices on a daily basis.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the entity.

ON BEHALF OF THE BOARD:

P M Kinch - Secretary

23 March 2023

**Report of the Directors
FOR THE YEAR ENDED 31 JULY 2022**

The directors present their report with the financial statements of the company for the year ended 31 July 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a wholesale liquid fuel supplier to domestic and commercial markets.

DIVIDENDS

The total distribution of dividends for the year ended 31 July 2022 was £270,000.

FUTURE DEVELOPMENTS

There have been no major events since the balance sheet date that will affect the future performance of the company. The company hopes to increase sales and improve gross profit to maintain profitability. This will largely be dependent on future fuel prices and climate over the forthcoming periods. The company does not undertake any research or development activities.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2021 to the date of this report.

R C Kinch
P M Kinch

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors
FOR THE YEAR ENDED 31 JULY 2022**

AUDITORS

The auditors, Haines Watts Accountants (Bristol) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P M Kinch - Secretary

23 March 2023

Opinion

We have audited the financial statements of Kinch Fuel Oils Limited (the 'company') for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 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 July 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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:

- (i) We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operates. We determined the following laws and regulations of most significance were: Companies Act 2006, UK GAAP and UK corporate taxation laws.
- (ii) We obtained an understanding of how the company complies with those legal and regulatory frameworks by making inquiries of management.
- (iii) We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Kinch Fuel Oils Limited**

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 a Report of the Auditors 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.

Matthew Bracher FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Accountants (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

23 March 2023

Statement of Comprehensive Income
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2021 £
TURNOVER	4	17,984,114	11,243,057
Cost of sales		<u>(14,275,255)</u>	<u>(8,561,447)</u>
GROSS PROFIT		3,708,859	2,681,610
Distribution costs		(771,763)	(778,844)
Administrative expenses		<u>(801,138)</u>	<u>(485,809)</u>
		2,135,958	1,416,957
Other operating income		48,903	24,590
Gain/loss on revaluation of investments		<u>(20,962)</u>	<u>198,280</u>
OPERATING PROFIT	7	2,163,899	1,639,827
Interest receivable and similar income		<u>7,479</u>	<u>15,002</u>
		2,171,378	1,654,829
Interest payable and similar expenses	8	<u>(1,427)</u>	<u>(607)</u>
PROFIT BEFORE TAXATION		2,169,951	1,654,222
Tax on profit	9	<u>(394,887)</u>	<u>(354,445)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,775,064</u>	<u>1,299,777</u>

The notes form part of these financial statements

KINCH FUEL OILS LIMITED (REGISTERED NUMBER: 01492318)**Balance Sheet
31 JULY 2022**

		2022	2021
	Notes	£	£
FIXED ASSETS			
Tangible assets	11	869,098	1,081,822
Investments	12	<u>2,430,749</u>	<u>2,920,042</u>
		<u>3,299,847</u>	<u>4,001,864</u>
CURRENT ASSETS			
Stocks	13	768,639	337,675
Debtors	14	820,418	685,184
Cash at bank		<u>13,203,494</u>	<u>11,716,101</u>
		<u>14,792,551</u>	<u>12,738,960</u>
CREDITORS			
Amounts falling due within one year	15	<u>(1,090,075)</u>	<u>(1,177,143)</u>
NET CURRENT ASSETS		<u>13,702,476</u>	<u>11,561,817</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,002,323	15,563,681
PROVISIONS FOR LIABILITIES	16	<u>(199,401)</u>	<u>(265,823)</u>
NET ASSETS		<u><u>16,802,922</u></u>	<u><u>15,297,858</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	50,000	50,000
Retained earnings		<u>16,752,922</u>	<u>15,247,858</u>
SHAREHOLDERS' FUNDS		<u><u>16,802,922</u></u>	<u><u>15,297,858</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 23 March 2023 and were signed on its behalf by:

R C Kinch - Director

P M Kinch - Director

The notes form part of these financial statements

Statement of Changes in Equity
FOR THE YEAR ENDED 31 JULY 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2020	50,000	14,058,081	14,108,081
Changes in equity			
Profit for the year	-	1,299,777	1,299,777
Total comprehensive income	-	1,299,777	1,299,777
Dividends	-	(110,000)	(110,000)
Balance at 31 July 2021	50,000	15,247,858	15,297,858
Changes in equity			
Profit for the year	-	1,775,064	1,775,064
Total comprehensive income	-	1,775,064	1,775,064
Dividends	-	(270,000)	(270,000)
Balance at 31 July 2022	50,000	16,752,922	16,802,922

The notes form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 JULY 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	1,397,837	2,005,623
Interest paid		(1,427)	(607)
Tax paid		(307,033)	(437,035)
Net cash from operating activities		<u>1,089,377</u>	<u>1,567,981</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(47,490)	(460,629)
Purchase of fixed asset investments		-	(2,000,000)
Sale of tangible fixed assets		23,448	104,541
Sale of fixed asset investment		515,216	121,832
Interest received		7,479	15,002
Net cash from investing activities		<u>498,653</u>	<u>(2,219,254)</u>
Cash flows from financing activities			
Amount introduced by directors		275,451	160,000
Amount withdrawn by directors		(106,090)	(355,398)
Dividends paid to directors		(270,000)	(110,000)
Net cash from financing activities		<u>(100,639)</u>	<u>(305,398)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,487,391</u>	<u>(956,671)</u>
Cash and cash equivalents at beginning of year	2	11,716,101	12,672,772
Cash and cash equivalents at end of year	2	<u>13,203,494</u>	<u>11,716,101</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 JULY 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	2,169,951	1,654,222
Depreciation charges	236,211	322,586
Profit on disposal of fixed assets	(46,332)	(80,069)
Loss/(gain) on revaluation of fixed assets	20,962	(198,280)
Finance costs	1,427	607
Finance income	(7,479)	(15,002)
	<u>2,374,740</u>	<u>1,684,064</u>
Increase in stocks	(430,964)	(62,329)
Increase in trade and other debtors	(247,270)	(20,387)
(Decrease)/increase in trade and other creditors	<u>(298,669)</u>	<u>404,275</u>
Cash generated from operations	<u>1,397,837</u>	<u>2,005,623</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2022

	31.7.22	1.8.21
	£	£
Cash and cash equivalents	<u>13,203,494</u>	<u>11,716,101</u>

Year ended 31 July 2021

	31.7.21	1.8.20
	£	£
Cash and cash equivalents	<u>11,716,101</u>	<u>12,672,772</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.21	Cash flow	At 31.7.22
	£	£	£
Net cash			
Cash at bank	<u>11,716,101</u>	<u>1,487,393</u>	<u>13,203,494</u>
	<u>11,716,101</u>	<u>1,487,393</u>	<u>13,203,494</u>
Total	<u>11,716,101</u>	<u>1,487,393</u>	<u>13,203,494</u>

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 JULY 2022**

1. COMPANY INFORMATION

Kinch Fuel Oils Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 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 £.

The financial statements have been prepared on the historical cost convention as modified by the revaluation of fixed asset investments. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

Turnover

Turnover represents net invoiced sales of fuel oil, excluding value added tax. Revenue is recognised once goods have been delivered to customers.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings - Straight line over 50 years
Fixtures and fittings - 15% on reducing balance
Motor vehicles - 25% on reducing balance
Computer Equipment - 33% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents 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.

Financial instruments

The company 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 when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company 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.

Basic financial liabilities, including trade and other creditors 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES - continued

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit and loss if the shares are publicly traded or their fair value can otherwise be measured reliably, unless the difference between cost and fair value is not material.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company'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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Impairment of debtors

On a periodic basis management makes an estimation of the recoverability of debtors. Management makes such estimations based on the credit rating of debtors, the ageing profile, and historical experience.

Tangible fixed assets

Tangible fixed assets are depreciated over their estimated useful lives. The actual lives of the assets are assessed annually by the directors and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022 £	2021 £
Sale of goods	<u>17,984,114</u>	<u>11,243,057</u>
	<u>17,984,114</u>	<u>11,243,057</u>

5. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	519,985	517,973
Social security costs	50,073	47,505
Other pension costs	<u>292,850</u>	<u>11,674</u>
	<u>862,908</u>	<u>577,152</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2022

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2022	2021
Administration (inc. directors)	6	7
Drivers	10	10
	<u>16</u>	<u>17</u>

6. DIRECTORS' EMOLUMENTS

	2022	2021
	£	£
Directors' remuneration	<u>17,851</u>	<u>17,611</u>

7. OPERATING PROFIT

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

	2022	2021
	£	£
Depreciation - owned assets	236,213	322,585
Profit on disposal of fixed assets	(46,332)	(80,069)
Auditors' remuneration	9,150	9,000
Auditors' remuneration for non audit work	<u>14,903</u>	<u>16,127</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
HMRC interest paid	<u>1,427</u>	<u>607</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2022

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	461,341	249,928
Under/over provision for prior period	(32)	-
Total current tax	<u>461,309</u>	<u>249,928</u>
Deferred tax	(66,422)	104,517
Tax on profit	<u>394,887</u>	<u>354,445</u>

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>2,169,951</u>	<u>1,654,222</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	412,291	314,302
Effects of:		
Expenses not deductible for tax purposes	599	39
Adjustments to tax charge in respect of previous periods	(32)	-
Capital allowances superdeduction	(2,707)	(8,794)
Depreciation on non-qualifying fixed assets	936	936
Indexation allowance	(258)	(456)
Deferred tax over provision in prior year	-	10
Deferred tax recognised at a rate of 25%	(15,942)	63,797
Deferred tax not recognised on impairment in prior year	-	(15,389)
Total tax charge	<u>394,887</u>	<u>354,445</u>

Movements on deferred tax arise from the origination and reversal of tax timing differences.

10. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	<u>270,000</u>	<u>110,000</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2022

11. TANGIBLE FIXED ASSETS

	Buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2021	246,430	694,092	2,037,021	91,126	3,068,669
Additions	-	-	47,490	-	47,490
Disposals	-	(9,420)	(84,608)	(6,746)	(100,774)
At 31 July 2022	<u>246,430</u>	<u>684,672</u>	<u>1,999,903</u>	<u>84,380</u>	<u>3,015,385</u>
DEPRECIATION					
At 1 August 2021	109,257	528,416	1,271,307	77,867	1,986,847
Charge for year	4,929	24,851	198,388	8,045	236,213
Eliminated on disposal	-	(5,073)	(64,953)	(6,747)	(76,773)
At 31 July 2022	<u>114,186</u>	<u>548,194</u>	<u>1,404,742</u>	<u>79,165</u>	<u>2,146,287</u>
NET BOOK VALUE					
At 31 July 2022	<u>132,244</u>	<u>136,478</u>	<u>595,161</u>	<u>5,215</u>	<u>869,098</u>
At 31 July 2021	<u>137,173</u>	<u>165,676</u>	<u>765,714</u>	<u>13,259</u>	<u>1,081,822</u>

The company trades from land owned by the directors. No rent is charged to the company. The company owns and maintains the buildings from which it operates.

12. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 August 2021	2,920,042
Disposals	(468,331)
Revaluations	(20,962)
At 31 July 2022	<u>2,430,749</u>
NET BOOK VALUE	
At 31 July 2022	<u>2,430,749</u>
At 31 July 2021	<u>2,920,042</u>

Cost or valuation at 31 July 2022 is represented by:

	Listed investments £
Valuation in 2022	<u>2,430,749</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 202212. **FIXED ASSET INVESTMENTS - continued**

If fixed asset investments had not been revalued they would have been included at the following historical cost:

	2022	2021
	£	£
Cost	<u>2,370,000</u>	<u>2,800,000</u>

Fixed asset investments were valued on an open market basis on 31 July 2022 by Integrated Financial Solutions Ltd .

13. **STOCKS**

	2022	2021
	£	£
Goods for resale	<u>768,639</u>	<u>337,675</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade debtors	693,090	402,530
Directors' current accounts	7,025	176,386
S455 tax	57,325	-
VAT	49,193	90,463
Prepayments	<u>13,785</u>	<u>15,805</u>
	<u>820,418</u>	<u>685,184</u>

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

	2022	2021
	£	£
Trade creditors	353,096	620,905
Corporation tax	461,826	250,225
Social security and other taxes	13,349	13,201
Payments on account	240,904	259,870
Accrued expenses	<u>20,900</u>	<u>32,942</u>
	<u>1,090,075</u>	<u>1,177,143</u>

16. **PROVISIONS FOR LIABILITIES**

	2022	2021
	£	£
Deferred tax	<u>199,401</u>	<u>265,823</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2022

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 August 2021	265,823
Movement in year	<u>(66,422)</u>
Balance at 31 July 2022	<u>199,401</u>

The deferred tax provision relates to accelerated capital allowances and unrealised gains on revaluations of investments.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	2022	2021
Number:	Class:	value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

18. PENSION COMMITMENTS

The company makes contributions to a number of employees' defined contribution pension schemes. The assets of these schemes are held in independently administered funds. During the year the company made contributions of £292,850 (2021: £11,313). There were no outstanding or prepaid pension contributions at the balance sheet date.

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 July 2022 and 31 July 2021:

	2022 £	2021 £
R C Kinch and P M Kinch		
Balance outstanding at start of year	176,386	-
Amounts advanced	100,639	176,386
Amounts repaid	(270,000)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>7,025</u>	<u>176,386</u>

Interest was charged at the HMRC advisory rate and the loan will be repaid within 9 months of the year end.

20. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2022 £	2021 £
Sales	15,155	-
Amount due from related party	<u>7,025</u>	<u>176,386</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2022

The company trades from land which is owned by the directors. No rent is charged to the company for the use of this land.

Other related parties - children of the directors who control the company

	2022	2021
	£	£
Sales	4,131	614
Amount due from related parties	-	210
Amount due to related party	<u>60</u>	<u>-</u>

During the year, a total of key management personnel remuneration of £401,944 (2021: £77,611) was paid.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are Mr R C Kinch & Mrs P M Kinch.

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