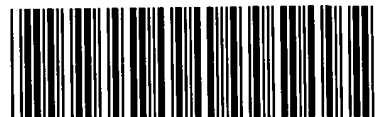


Company Registration No. 01502152 (England and Wales)

CHP SUPPLIES LIMITED
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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CHP SUPPLIES LIMITED

COMPANY INFORMATION

Directors	Mr S P Hollowed Mr J T Shirley Mr P H Wilding Mr B Hodgkinson
Secretary	Mr S P Hollowed
Company number	01502152
Registered office	55 Pottery Road Wigan
Auditor	Barlow Andrews LLP Carlyle House 78 Chorley New Road Bolton
Bankers	HSBC Bank plc 21 The Grand Arcade Wigan

CHP SUPPLIES LIMITED

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CHP SUPPLIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Fair review of the business

The company continues to operate out of six depots which are based in the North West.

The directors are pleased with the results for the year in light of the pandemic that has impacted trade throughout the year.

Principal risks and uncertainties

A risk assessment is carried out on a regular basis by the directors to formally identify the risks most important to the company. Risk management and internal control reviews are also carried out throughout the year.

Liquidity risk

The company manages its cash requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

Credit risk from trade debtors is managed by operating strict credit control procedures, including detailed credit reference checks on new customers, regular reviews of credit limits, daily monitoring of payments received against agreed terms, and comparing debtor days on a regular basis.

Key performance indicators

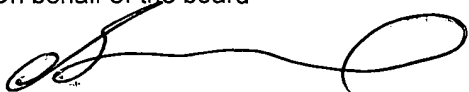
The key financial and other performance indicators during the year were as follows:

	2021	2020
	£'m	£'m
Company sales	16.3	13.8
Company overheads	2.4	2.5
Number of employees	58	69
Number of depots	6	6

The directors are pleased with the overall performance of the company.

In the current year, they look to increase their market share by increasing sales through their existing depots and also looking for opportunities to open new depots at key strategic locations.

On behalf of the board



Mr S P Hollowed
Director

12 January 2022

CHP SUPPLIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company is the wholesale of central heating parts and general plumbing requisites and the retail of bathroom furniture and accessories.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £112,000. The directors do not recommend payment of a final dividend.

Directors

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

Mr S P Hollowed

Mr J T Shirley

Mr P H Wilding

Mr B Hodgkinson

Auditor

The auditor, Barlow Andrews LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



Mr S P Hollowed
Director

12 January 2022

CHP SUPPLIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

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 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.

CHP SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHP SUPPLIES LIMITED

Opinion

We have audited the financial statements of financial statements of CHP Supplies Limited (the 'company') for the year ended 30 June 2021 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flow 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 company's affairs as at 30 June 2021 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 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 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.

CHP SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHP SUPPLIES LIMITED

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 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 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

CHP SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHP SUPPLIES LIMITED

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the plumbing supply and the bathroom retail sectors.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

CHP SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHP SUPPLIES LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

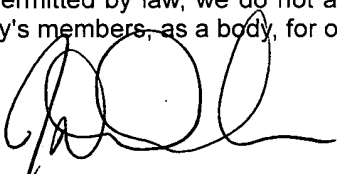
CHP SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHP SUPPLIES LIMITED

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.

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.



James Barden (Senior Statutory Auditor)
For and on behalf of Barlow Andrews LLP

12 January 2022

Chartered Accountants
Statutory Auditor

Carlyle House
78 Chorley New Road
Bolton

CHP SUPPLIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	16,295,900	13,819,064
Cost of sales		(13,030,582)	(10,611,584)
Gross profit		3,265,318	3,207,480
Administrative expenses		(2,398,822)	(2,537,346)
Other operating income		97,271	211,406
Operating profit	4	963,767	881,540
Interest receivable and similar income	7	2,309	21,046
Interest payable and similar expenses	8	(519)	(1,724)
Profit before taxation		965,557	900,862
Tax on profit	9	(182,733)	(179,605)
Profit for the financial year		782,824	721,257

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

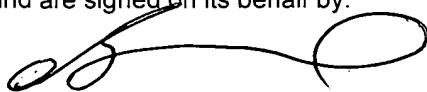
CHP SUPPLIES LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	111,088		201,023	
Investments	12	3,380		3,380	
		<u>114,468</u>		<u>204,403</u>	
Current assets					
Stocks	13	2,746,518		2,610,081	
Debtors	14	2,038,775		1,700,386	
Cash at bank and in hand		5,594,780		4,266,147	
		<u>10,380,073</u>		<u>8,576,614</u>	
Creditors: amounts falling due within one year	15	<u>(2,913,510)</u>		<u>(1,870,810)</u>	
Net current assets		<u>7,466,563</u>		<u>6,705,804</u>	
Net assets		<u><u>7,581,031</u></u>		<u><u>6,910,207</u></u>	
Capital and reserves					
Called up share capital	18	5,001		5,001	
Capital redemption reserve	19	205,029		205,029	
Profit and loss reserves		7,371,001		6,700,177	
Total equity		<u><u>7,581,031</u></u>		<u><u>6,910,207</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 12 January 2022 and are signed on its behalf by:



Mr S P Hollowed
Director

Company Registration No. 01502152

CHP SUPPLIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2019		5,001	205,029	6,138,920	6,348,950
Year ended 30 June 2020:					
Profit and total comprehensive income for the year		-	-	721,257	721,257
Dividends	10	-	-	(160,000)	(160,000)
Balance at 30 June 2020		5,001	205,029	6,700,177	6,910,207
Year ended 30 June 2021:					
Profit and total comprehensive income for the year		-	-	782,824	782,824
Dividends	10	-	-	(112,000)	(112,000)
Balance at 30 June 2021		5,001	205,029	7,371,001	7,581,031

CHP SUPPLIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22	1,751,327		1,256,732	
Interest paid		(519)		-	
Corporation tax paid		(346,534)		-	
Net cash inflow from operating activities		1,404,274		1,256,732	
Investing activities					
Purchase of tangible fixed assets		-	(161,472)		
Proceeds on disposal of tangible fixed assets		34,050	12,333		
Interest received		2,309	21,046		
Net cash generated from/(used in) investing activities			36,359		(128,093)
Financing activities					
Dividends paid		(112,000)	(160,000)		
Net cash used in financing activities			(112,000)		(160,000)
Net increase in cash and cash equivalents			1,328,633		968,639
Cash and cash equivalents at beginning of year		4,266,147		3,297,508	
Cash and cash equivalents at end of year		5,594,780		4,266,147	

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

CHP Supplies Limited is a private company limited by shares incorporated in England and Wales. The registered office is 55 Pottery Road, Wigan.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

1.4 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 Leasehold	Straight line over the life of the lease
Plant and machinery	7% and 20% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 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 in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include 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.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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 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.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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 when the company has 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.12 Retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 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 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.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Wholesale	15,443,592	12,941,078
Retail	852,308	877,986
	<u>16,295,900</u>	<u>13,819,064</u>
	2021 £	2020 £
Other significant revenue		
Interest income	2,309	21,046
Grants received	97,271	207,034
Insurance monies received	-	4,372
	<u></u>	<u></u>

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(97,271)	(207,034)
Fees payable to the company's auditor for the audit of the company's financial statements	10,200	9,750
Depreciation of owned tangible fixed assets	75,131	103,245
Profit on disposal of tangible fixed assets	(19,246)	(12,333)
	<u></u>	<u></u>

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Employees

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

	2021 Number	2020 Number
Administration	8	9
Selling and distribution	50	60
Total	58	69

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,321,913	1,357,072
Social security costs	101,397	110,629
Pension costs	27,844	26,335
	1,451,154	1,494,036

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	183,649	193,367
Company pension contributions to defined contribution schemes	5,611	5,297
	189,260	198,664

The directors are also considered to be the key management personnel.

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	2,309	21,046
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	2,309	21,046

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Interest payable and similar expenses

	2021 £	2020 £
Other finance costs:		
Other interest	519	1,724
	<u>519</u>	<u>1,724</u>

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	189,550	179,605
	<u>189,550</u>	<u>179,605</u>
Deferred tax		
Origination and reversal of timing differences	(6,817)	-
	<u>(6,817)</u>	<u>-</u>
Total tax charge	<u>182,733</u>	<u>179,605</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	965,557	900,862
	<u>965,557</u>	<u>900,862</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	183,456	171,164
Tax effect of expenses that are not deductible in determining taxable profit	-	349
Permanent capital allowances in excess of depreciation	(723)	8,092
	<u>182,733</u>	<u>179,605</u>
Taxation charge for the year	<u>182,733</u>	<u>179,605</u>

10 Dividends

	2021 £	2020 £
Interim paid	112,000	160,000
	<u>112,000</u>	<u>160,000</u>

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2020	256,042	88,293	533,161	513,627	1,391,123
Disposals	-	-	-	(91,958)	(91,958)
At 30 June 2021	256,042	88,293	533,161	421,669	1,299,165
Depreciation and impairment					
At 1 July 2020	256,042	88,293	533,161	312,604	1,190,100
Depreciation charged in the year	-	-	-	75,131	75,131
Eliminated in respect of disposals	-	-	-	(77,154)	(77,154)
At 30 June 2021	256,042	88,293	533,161	310,581	1,188,077
Carrying amount					
At 30 June 2021	-	-	-	111,088	111,088
At 30 June 2020	-	-	-	201,023	201,023

12 Fixed asset investments

	2021 £	2020 £
Unlisted investments	3,380	3,380

13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	2,746,518	2,610,081

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,795,189	1,348,897
Other debtors	8,737	46,629
Prepayments and accrued income	228,032	304,860
	<u>2,031,958</u>	<u>1,700,386</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 16)	6,817	-
	<u>2,038,775</u>	<u>1,700,386</u>
Total debtors	<u>2,038,775</u>	<u>1,700,386</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,425,719	1,270,116
Corporation tax	189,512	346,496
Other taxation and social security	218,220	102,684
Other creditors	50,679	67,159
Accruals and deferred income	29,380	84,355
	<u>2,913,510</u>	<u>1,870,810</u>

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

16 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	Assets 2021 £	Assets 2020 £
Balances:		
ACAs	6,817	-
	<u>6,817</u>	<u>-</u>
Movements in the year:		2021 £
At 1 July 2020		-
Credit to profit or loss		(6,817)
		<u>(6,817)</u>
Asset at 30 June 2021		<u>(6,817)</u>

17 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	27,844	26,335
	<u>27,844</u>	<u>26,335</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of £1 each	3,751	3,751	3,751	3,751
Ordinary B shares of £1 each	251	250	251	250
Ordinary C shares of £1 each	999	1,000	999	1,000
	<u>5,001</u>	<u>5,001</u>	<u>5,001</u>	<u>5,001</u>

The holders of ordinary shares are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual value.

During the year one Ordinary C share was reclassified as an Ordinary B share.

19 Capital redemption reserve

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

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

20 Operating lease commitments

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

	2021 £	2020 £
Within one year	51,044	54,456
Between two and five years	14,710	43,172
	<u>65,754</u>	<u>97,628</u>

21 Directors' transactions

Dividends totalling £100,000 (2020 - £5,000) were paid in the year in respect of shares held by the company's directors.

During the year, the company was charged rent, in relation to various branches, totalling £312,548 (2019: £303,445) by Mr S P Hollowed, director.

22 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	782,824	721,257
Adjustments for:		
Taxation charged	182,733	179,605
Finance costs	519	1,724
Investment income	(2,309)	(21,046)
Gain on disposal of tangible fixed assets	(19,246)	(12,333)
Depreciation and impairment of tangible fixed assets	75,131	103,245
Movements in working capital:		
Increase in stocks	(136,437)	(418,553)
(Increase)/decrease in debtors	(331,572)	1,011,291
Increase/(decrease) in creditors	1,199,684	(308,458)
Cash generated from operations	<u>1,751,327</u>	<u>1,256,732</u>

23 Analysis of changes in net funds

	1 July 2020 £	Cash flows £	30 June 2021 £
Cash at bank and in hand	<u>4,266,147</u>	<u>1,328,633</u>	<u>5,594,780</u>