

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 March 2022
for
MISWA CHEMICALS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2022

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MISWA CHEMICALS LIMITED
Company Information
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTOR: Mrs S Patel-Champion

SECRETARY: Mrs S Patel-Champion

REGISTERED OFFICE: Caswell Road
Brackmills
Northampton
Northamptonshire
NN4 7PW

REGISTERED NUMBER: 01579877 (England and Wales)

AUDITORS: Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

Strategic Report
FOR THE YEAR ENDED 31 MARCH 2022

The director presents her strategic report for the year ended 31 March 2022.

REVIEW OF BUSINESS

The principal activity of the company in the year under review was that of the manufacturing car care products and insecticides.

Revenues are up from last year. The 2021 revenues were affected by the Covid 19 pandemic & related lockdown.. The key performance indicators that the company uses are level of sales and gross margin achieved.

Sales £18.6m. UK sales are up from 2021 by £0.97m. Export sales are up by £4.5m. The company has been able to increase its share in the export markets.

Gross Profit £3.6m is due to overall increase in revenue.

The business is financially tightly managed with all costs under constant review to maximise on gross profit and gross margins.

The company continues to increase its efforts to increase UK market share.

PRINCIPAL RISKS AND UNCERTAINTIES

Key business risks remain the operation cost. The company monitors the cost of its operation on a monthly basis. The company's operations expose to a variety of financial risks that include the effects of changes in credit risk and liquidity risk. The company has debt finance but does not use derivative financial instruments to manage interest rate and as such, no hedge accounting is applied.

The company's financial instruments comprise cash and liquid resources, various items such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk, credit risk, and foreign currency risk.

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to bank loan and overdraft facilities. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Credit risk

The company trades with only recognised, creditworthy third parties. It is company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Foreign currency risk

The company trades in foreign currency. The possibility that currency depreciation will negatively affect the value of the assets exposed to currency risk. The company manages it by hedging with a combination of forex forwards and options which allow the company to fix country risk within acceptable levels.

ON BEHALF OF THE BOARD:

Mrs S Patel-Champion - Director

12 December 2022

Report of the Director
FOR THE YEAR ENDED 31 MARCH 2022

The director presents her report with the financial statements of the company for the year ended 31 March 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2022.

DIRECTOR

Mrs S Patel-Champion held office during the whole of the period from 1 April 2021 to the date of this report.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 director is 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 she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs S Patel-Champion - Director

12 December 2022

Report of the Independent Auditors to the Members of
Miswa Chemicals Limited

Opinion

We have audited the financial statements of Miswa Chemicals Limited (the 'company') for the year ended 31 March 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 March 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 director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 Director 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 Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Miswa Chemicals 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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management, concerning the company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

- Performed analytical procedures to identify any unusual relationships.
- Tested journal entries to identify unusual transactions.
- Reviewed and tested material accounting estimates for reasonableness.
- Reviewed for appropriateness and reasonableness of accounting policies used.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

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
Miswa Chemicals 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.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

12 December 2022

Statement of Comprehensive
Income
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
TURNOVER	3	18,695,521	13,164,744
Cost of sales		<u>15,084,112</u>	<u>10,447,926</u>
GROSS PROFIT		3,611,409	2,716,818
Administrative expenses		<u>2,777,038</u>	<u>2,406,010</u>
		834,371	310,808
Other operating income		<u>109,912</u>	<u>230,341</u>
OPERATING PROFIT	5	944,283	541,149
Interest receivable and similar income		<u>104</u>	<u>18</u>
		944,387	541,167
Interest payable and similar expenses	7	<u>34,271</u>	<u>40,398</u>
PROFIT BEFORE TAXATION		910,116	500,769
Tax on profit	8	<u>21,534</u>	<u>(22,306)</u>
PROFIT FOR THE FINANCIAL YEAR		888,582	523,075
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		<u>888,582</u>	<u>523,075</u>
FOR THE YEAR			

The notes form part of these financial statements

MISWA CHEMICALS LIMITED (REGISTERED NUMBER: 01579877)

Balance Sheet
31 MARCH 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		3,362,090		3,514,192
CURRENT ASSETS					
Stocks	10	2,091,833		1,904,904	
Debtors	11	7,679,753		3,847,708	
Cash at bank and in hand		<u>791,763</u>		<u>2,498,878</u>	
		10,563,349		8,251,490	
CREDITORS					
Amounts falling due within one year	12	<u>4,685,760</u>		<u>2,902,999</u>	
NET CURRENT ASSETS			<u>5,877,589</u>		<u>5,348,491</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,239,679		8,862,683
CREDITORS					
Amounts falling due after more than one year	13		(911,688)		(1,437,504)
PROVISIONS FOR LIABILITIES	16		<u>(107,428)</u>		<u>(298,233)</u>
NET ASSETS			<u>8,220,563</u>		<u>7,126,946</u>
CAPITAL AND RESERVES					
Called up share capital	17		70,300		70,300
Revaluation reserve	18		1,507,843		1,302,808
Retained earnings	18		<u>6,642,420</u>		<u>5,753,838</u>
SHAREHOLDERS' FUNDS			<u>8,220,563</u>		<u>7,126,946</u>

The financial statements were authorised for issue by the director and authorised for issue on 12 December 2022 and were signed by:

Mrs S Patel-Champion - Director

The notes form part of these financial statements

MISWA CHEMICALS LIMITED (REGISTERED NUMBER: 01579877)

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

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2020	70,300	5,230,763	1,302,808	6,603,871
Changes in equity				
Total comprehensive income	-	523,075	-	523,075
Balance at 31 March 2021	70,300	5,753,838	1,302,808	7,126,946
Changes in equity				
Total comprehensive income	-	888,582	205,035	1,093,617
Balance at 31 March 2022	70,300	6,642,420	1,507,843	8,220,563

The notes form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(1,115,119)	2,572,260
Interest paid		(34,271)	(40,398)
Tax paid		(14,230)	22,306
Deferred tax		14,230	(22,306)
Net cash from operating activities		<u>(1,149,390)</u>	<u>2,531,862</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(63,872)	-
Interest received		104	18
Net cash from investing activities		<u>(63,768)</u>	<u>18</u>
Cash flows from financing activities			
New loans in year		-	800,000
Loan repayments in year		(437,481)	(347,645)
Net cash from financing activities		<u>(437,481)</u>	<u>452,355</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,650,639)</u>	<u>2,984,235</u>
Cash and cash equivalents at beginning of year	2	2,442,375	(541,860)
Cash and cash equivalents at end of year	2	<u>791,736</u>	<u>2,442,375</u>

The notes form part of these financial statements

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

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

	2022	2021
	£	£
Profit before taxation	910,116	500,769
Depreciation charges	215,976	229,554
Finance costs	34,271	40,398
Finance income	(104)	(18)
	<u>1,160,259</u>	<u>770,703</u>
(Increase)/decrease in stocks	(186,929)	725,914
(Increase)/decrease in trade and other debtors	(3,832,045)	1,024,739
Increase in trade and other creditors	<u>1,743,596</u>	<u>50,904</u>
Cash generated from operations	<u><u>(1,115,119)</u></u>	<u><u>2,572,260</u></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 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	791,763	2,498,878
Bank overdrafts	(27)	(56,503)
	<u><u>791,736</u></u>	<u><u>2,442,375</u></u>

Year ended 31 March 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	2,498,878	214,820
Bank overdrafts	(56,503)	(756,680)
	<u><u>2,442,375</u></u>	<u><u>(541,860)</u></u>

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

3. **ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	2,498,878	(1,707,115)	791,763
Bank overdrafts	(56,503)	56,476	(27)
	<u>2,442,375</u>	<u>(1,650,639)</u>	<u>791,736</u>
Debt			
Debts falling due within 1 year	(434,708)	(88,337)	(523,045)
Debts falling due after 1 year	(1,437,504)	525,816	(911,688)
	<u>(1,872,212)</u>	<u>437,479</u>	<u>(1,434,733)</u>
Total	<u>570,163</u>	<u>(1,213,160)</u>	<u>(642,997)</u>

The notes form part of these financial statements

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Miswa Chemicals 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments.

Turnover

Revenue comprises the fair value of the sale of goods and services to external customers, net of value added tax, and returns. Revenue is recognised on the sale of goods when the significant risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue on goods delivered is recognised when the customer accepts delivery.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost and over 5 years for improvement
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance

Included in freehold property is 54 Caswell Road, Northampton which was valued on an open market basis on 19/03/1989 by external professional valuers. On adaptation of FRS102, the company has applied the 'deemed cost' provision on transition to FRS102

Stocks

Stock consists of raw material and finished goods. Stock is valued at the lower of cost (including raw materials, direct labour, other direct costs and related production overheads) and net realisable value, after making due allowance for obsolete and slow moving items. Cost is generally determined on a FIFO basis.

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

2. ACCOUNTING POLICIES - continued

Financial instruments policy

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Going concern

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

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

2. ACCOUNTING POLICIES - continued

Grants receivables

Coronavirus Job Retention Scheme grants received during the year are included as other income in the financial statements.

Government Grants

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

A grant that specifies performance condition is recognised in income when the performance conditions are met. Where a grant does not specify performance condition, 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.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	9,551,420	8,573,988
Europe	-	145,735
Africa	9,144,101	4,415,739
Middle East	-	29,282
	<u>18,695,521</u>	<u>13,164,744</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,712,777	1,814,436
Social security costs	159,204	152,169
Other pension costs	190,091	48,673
	<u>2,062,072</u>	<u>2,015,278</u>

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

	2022	2021
Production	75	75
Administration	12	12
	<u>87</u>	<u>87</u>

	2022	2021
	£	£
Director's remuneration	<u>57,250</u>	<u>60,000</u>

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

5. OPERATING PROFIT

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

	2022	2021
	£	£
Depreciation - owned assets	215,974	229,554
Foreign exchange differences	<u>(14,260)</u>	<u>20,224</u>

6. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>11,000</u>	<u>11,000</u>

The above auditor's remuneration includes £500 (2019 - £500) for the provision of a non-audit services.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	<u>34,271</u>	<u>40,398</u>

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	7,304	-
Deferred tax	<u>14,230</u>	<u>(22,306)</u>
Tax on profit	<u>21,534</u>	<u>(22,306)</u>

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

8. TAXATION - continued

Reconciliation of total tax charge/(credit) 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>910,116</u>	<u>500,769</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	172,922	95,146
Effects of:		
Timing differences	15,293	31,462
Deferred tax	14,230	(22,306)
Losses carried back	-	(6,829)
Disallowable expenses	97	129
Loss relief	(144,092)	(119,908)
Enhanced Deduction for R&D	<u>(36,916)</u>	<u>-</u>
Total tax charge/(credit)	<u>21,534</u>	<u>(22,306)</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2021	6,405,236	7,597,968	75,962	14,079,166
Improvements/Additions	-	63,872	-	63,872
At 31 March 2022	<u>6,405,236</u>	<u>7,661,840</u>	<u>75,962</u>	<u>14,143,038</u>
DEPRECIATION				
At 1 April 2021	3,245,613	7,249,826	69,535	10,564,974
Charge for year	111,363	103,003	1,608	215,974
At 31 March 2022	<u>3,356,976</u>	<u>7,352,829</u>	<u>71,143</u>	<u>10,780,948</u>
NET BOOK VALUE				
At 31 March 2022	<u>3,048,260</u>	<u>309,011</u>	<u>4,819</u>	<u>3,362,090</u>
At 31 March 2021	<u>3,159,623</u>	<u>348,142</u>	<u>6,427</u>	<u>3,514,192</u>

Included in cost of land and buildings is freehold land of £ 275,000 (2021 - £ 275,000) which is not depreciated.

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

10. STOCKS

	2022	2021
	£	£
Raw materials	1,347,290	1,241,914
Finished goods	<u>744,543</u>	<u>662,990</u>
	<u>2,091,833</u>	<u>1,904,904</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	7,211,588	3,522,259
Other debtors	2,215	2,215
VAT	233,479	108,357
Prepayments	<u>232,471</u>	<u>214,877</u>
	<u>7,679,753</u>	<u>3,847,708</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 14)	523,072	491,211
Trade creditors	3,874,017	2,293,570
Tax	7,304	-
Social security and other taxes	42,598	35,495
Other creditors	333	8,227
Accrued expenses	<u>238,436</u>	<u>74,496</u>
	<u>4,685,760</u>	<u>2,902,999</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 14)	<u>911,688</u>	<u>1,437,504</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	27	56,503
Bank loans <1yr	363,045	354,708
CBIL Loan <1 year	<u>160,000</u>	<u>80,000</u>
	<u>523,072</u>	<u>491,211</u>

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

14. LOANS - continued

	2022	2021
	£	£
Amounts falling due between two and five years:		
Bank loans - 2-5 years	351,688	717,504
CBIL Loan 2 to 5 years	<u>560,000</u>	<u>720,000</u>
	<u>911,688</u>	<u>1,437,504</u>

The bank overdrafts and loans from Lloyds Bank Plc are secured by a first charge on freehold commercial properties at 53 and 54 Caswell Road, Brackmills, Northampton and a fixed & floating charge on the assets and undertakings of the company.

Interest is payable at 3.67% on the fixed rate loans and 1.4% over base rate on the variable rate loan.

In September 2020, the company obtained a loan of £800,000 under the CBIL Scheme. The loan term is 6 years with interest at 1.97% over Base Rate. The first 12 months are interest free and repayments of capital commence from October 2021.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	12,265	11,452
Between one and five years	<u>19,091</u>	<u>7,204</u>
	<u>31,356</u>	<u>18,656</u>

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>107,428</u>	<u>298,233</u>
		Deferred tax
		£
Balance at 1 April 2021		298,233
Provided during year		14,230
Utilised during year		<u>(205,035)</u>
Balance at 31 March 2022		<u>107,428</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£
70,300	Ordinary	£1	<u>70,300</u>	<u>70,300</u>

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

18. **RESERVES**

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2021	5,753,838	1,302,808	7,056,646
Profit for the year	888,582		888,582
Deferred tax transfer	-	205,035	205,035
At 31 March 2022	<u>6,642,420</u>	<u>1,507,843</u>	<u>8,150,263</u>

19. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mrs S Patel-Champion.

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.