

J.A. Jones & Sons (Churchtown) Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 September 2022

Advance Audit Limited
Statutory Auditor
71/73 Hoghton Street
Southport
Merseyside
PR9 0PR

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for the Year Ended 30 September 2022**

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J.A. Jones & Sons (Churchtown) Limited

Company Information for the Year Ended 30 September 2022

DIRECTORS:

Mr N C Aubrey
Mrs C I Hesketh
Mr M G Vickers
Ms M H Carr
Mr D F Law
Mr F R F Hesketh
Mr C T P Aubrey

REGISTERED OFFICE:

99 Bankfield Lane
Southport
Merseyside
PR9 7NT

REGISTERED NUMBER:

01697442 (England and Wales)

AUDITORS:

Advance Audit Limited
Statutory Auditor
71/73 Hoghton Street
Southport
Merseyside
PR9 0PR

J.A. Jones & Sons (Churchtown) Limited (Registered number: 01697442)

Strategic Report for the Year Ended 30 September 2022

The directors present their strategic report for the year ended 30 September 2022.

Established in 1900, J A Jones & Sons (Churchtown) Limited is a sixty hectare wholesale nursery situated in the North West of England.

We supply a large range of trees and shrubs to the landscape and amenity markets. Our plants, staff and expertise are highly regarded by our customers throughout the U.K. and Europe.

REVIEW OF BUSINESS

The directors report a profit before tax for the year of £494,664 (2021: £429,598)

The directors are very satisfied with the performance of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations are exposed to a variety of financial risks that include effects of changes to customer credit risk, supply chain risk and trading seasonality. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

Policies are in place to limit the exposure to excess stock being carried forward from one year to the next. The company has no significant concentrations of credit risk. Receivable balances are monitored on an ongoing basis to ensure the company's bad debt exposure is not significant.

The company looks to mitigate the supply chain risk by implementing a rigorous supplier selection process and working closely with a variety of suppliers.

KEY PERFORMANCE INDICATORS

The company's key performance indicators during the year were as follows:

	30 September 2022	30 September 2021
Turnover	£11,672,719	£10,507,087
Turnover growth	11.09%	35.81%
Gross profit margin	21.92%	22.70%
Profit before tax	£494,664	£429,598

ON BEHALF OF THE BOARD:

Mr N C Aubrey - Director

15 February 2023

J.A. Jones & Sons (Churchtown) Limited (Registered number: 01697442)

Report of the Directors for the Year Ended 30 September 2022

The directors present their report with the financial statements of the company for the year ended 30 September 2022.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2022 was £60,005 in respect of the year ended 30 September 2021.

DIRECTORS

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

Mr N C Aubrey
Mrs C I Hesketh
Mr M G Vickers

Other changes in directors holding office are as follows:

Ms M H Carr - appointed 5 April 2022
Mr D F Law - appointed 16 March 2022
Mr F R F Hesketh - appointed 16 March 2022
Mr C T P Aubrey - appointed 16 March 2022

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management and future developments.

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.

J.A. Jones & Sons (Churchtown) Limited (Registered number: 01697442)

**Report of the Directors
for the Year Ended 30 September 2022**

AUDITORS

The auditors, Advance Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr N C Aubrey - Director

15 February 2023

Report of the Independent Auditors to the Members of J.A. Jones & Sons (Churchtown) Limited

Opinion

We have audited the financial statements of J.A. Jones & Sons (Churchtown) Limited (the 'company') for the year ended 30 September 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 30 September 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.

The comparative financial statements are unaudited.

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.

Report of the Independent Auditors to the Members of J.A. Jones & Sons (Churchtown) 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 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.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 J.A. Jones & Sons (Churchtown) 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.

Jennifer Tobin FCCA (Senior Statutory Auditor)
for and on behalf of Advance Audit Limited
Statutory Auditor
71/73 Hoghton Street
Southport
Merseyside
PR9 0PR

15 February 2023

J.A. Jones & Sons (Churchtown) Limited (Registered number: 01697442)

**Statement of Comprehensive Income
for the Year Ended 30 September 2022**

	Notes	2022 £	£	2021 £	£
TURNOVER			11,672,719		10,507,087
Cost of sales			<u>9,113,663</u>		<u>8,122,500</u>
GROSS PROFIT			2,559,056		2,384,587
Distribution costs		672,718		536,999	
Administrative expenses		<u>1,303,278</u>		<u>1,295,765</u>	
			<u>1,975,996</u>		<u>1,832,764</u>
			583,060		551,823
Other operating income			<u>26,829</u>		<u>36,244</u>
OPERATING PROFIT	5		609,889		588,067
Interest payable and similar expenses	6		<u>115,225</u>		<u>158,469</u>
PROFIT BEFORE TAXATION			494,664		429,598
Tax on profit	7		<u>90,735</u>		<u>109,555</u>
PROFIT FOR THE FINANCIAL YEAR			403,929		320,043
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>403,929</u>		<u>320,043</u>

The notes form part of these financial statements

J.A. Jones & Sons (Churchtown) Limited (Registered number: 01697442)

Balance Sheet
30 September 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		1,183,811		1,000,343
CURRENT ASSETS					
Stocks	10	2,079,553		1,776,570	
Debtors	11	1,754,731		1,633,204	
Cash at bank and in hand		666		182,329	
		<u>3,834,950</u>		<u>3,592,103</u>	
CREDITORS					
Amounts falling due within one year	12	<u>2,464,034</u>		<u>2,309,795</u>	
NET CURRENT ASSETS			<u>1,370,916</u>		<u>1,282,308</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,554,727		2,282,651
CREDITORS					
Amounts falling due after more than one year	13		(506,619)		(608,582)
PROVISIONS FOR LIABILITIES	16		<u>(173,488)</u>		<u>(143,373)</u>
NET ASSETS			<u>1,874,620</u>		<u>1,530,696</u>
CAPITAL AND RESERVES					
Called up share capital	17		550,000		550,000
Retained earnings			<u>1,324,620</u>		<u>980,696</u>
SHAREHOLDERS' FUNDS			<u>1,874,620</u>		<u>1,530,696</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 February 2023 and were signed on its behalf by:

Mr N C Aubrey - Director

J.A. Jones & Sons (Churchtown) Limited (Registered number: 01697442)

**Statement of Changes in Equity
for the Year Ended 30 September 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2020	550,000	671,653	1,221,653
Changes in equity			
Dividends	-	(11,000)	(11,000)
Total comprehensive income	-	320,043	320,043
Balance at 30 September 2021	<u>550,000</u>	<u>980,696</u>	<u>1,530,696</u>
Changes in equity			
Dividends	-	(60,005)	(60,005)
Total comprehensive income	-	403,929	403,929
Balance at 30 September 2022	<u>550,000</u>	<u>1,324,620</u>	<u>1,874,620</u>

The notes form part of these financial statements

J.A. Jones & Sons (Churchtown) Limited (Registered number: 01697442)**Cash Flow Statement
for the Year Ended 30 September 2022**

		2022 £	2021 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	122,800	778,106
Interest paid		(94,852)	(122,564)
Interest element of hire purchase payments paid		(5,374)	(5,905)
Finance costs paid		(14,999)	(30,000)
Government Grants		-	7,067
Tax paid		(37,028)	(36,328)
Net cash from operating activities		<u>(29,453)</u>	<u>590,376</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(112,268)	(368,904)
Sale of tangible fixed assets		17,000	3,500
Net cash from investing activities		<u>(95,268)</u>	<u>(365,404)</u>
Cash flows from financing activities			
Loan repayments in year		(113,772)	(74,886)
Capital repayments in year		(204,527)	(57,700)
Movement on invoice finance account		356,850	(359,903)
Equity dividends paid		(60,005)	(11,000)
Net cash from financing activities		<u>(21,454)</u>	<u>(503,489)</u>
Decrease in cash and cash equivalents		<u>(146,175)</u>	<u>(278,517)</u>
Cash and cash equivalents at beginning of year	2	9,919	288,436
Cash and cash equivalents at end of year	2	<u>(136,256)</u>	<u>9,919</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 30 September 2022**

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

	2022	2021
	£	£
Profit before taxation	494,664	429,598
Depreciation charges	159,195	105,313
Profit on disposal of fixed assets	(16,457)	(97)
Government grants	-	(7,067)
Finance costs	115,225	158,469
	<u>752,627</u>	<u>686,216</u>
Increase in stocks	(302,983)	(47,191)
Increase in trade and other debtors	(121,527)	(295,068)
(Decrease)/increase in trade and other creditors	(205,317)	434,149
Cash generated from operations	<u>122,800</u>	<u>778,106</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 30 September 2022

	30.9.22	1.10.21
	£	£
Cash and cash equivalents	666	182,329
Bank overdrafts	(136,922)	(172,410)
	<u>(136,256)</u>	<u>9,919</u>

Year ended 30 September 2021

	30.9.21	1.10.20
	£	£
Cash and cash equivalents	182,329	288,436
Bank overdrafts	(172,410)	-
	<u>9,919</u>	<u>288,436</u>

**Notes to the Cash Flow Statement
for the Year Ended 30 September 2022**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.21 £	Cash flow £	Other non-cash changes £	At 30.9.22 £
Net cash				
Cash at bank and in hand	182,329	(181,663)		666
Bank overdrafts	<u>(172,410)</u>	<u>35,488</u>		<u>(136,922)</u>
	<u>9,919</u>	<u>(146,175)</u>		<u>(136,256)</u>
Debt				
Finance leases	(207,433)	204,527	-	(233,844)
Debts falling due within 1 year	(415,503)	(347,851)	-	(763,354)
Debts falling due after 1 year	<u>(510,342)</u>	<u>104,772</u>	-	<u>(405,570)</u>
	<u>(1,133,278)</u>	<u>(38,552)</u>	-	<u>(1,402,768)</u>
Total	<u>(1,123,359)</u>	<u>(184,727)</u>	-	<u>(1,539,024)</u>

**Notes to the Financial Statements
for the Year Ended 30 September 2022**

1. STATUTORY INFORMATION

J.A. Jones & Sons (Churchtown) 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.

Going Concern

The company is currently profitable and is generating positive operating cash-flows. As a consequence it is well placed to manage its business risks despite the uncertain economic outlook.

The directors have reviewed the future cash requirements of the company, taking into account reasonably possible changes in the company's trading performance.

The review indicates that the current facilities the company has in place to finance its operations are sufficient to allow the company to meet its liabilities as they fall due. The directors continue to closely monitor the cash position of the company to ensure it will continue to operate within the terms of the existing facilities.

At the time of approving the financial statements, the directors have every expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

The turnover shown in the profit and loss represents amounts invoiced during the year, exclusive of VAT.

In respect of the sale of goods, turnover is recognised once the goods are delivered to the customer. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured.

Tangible fixed assets

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

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

Freehold Property	-	4% reducing balance
Freehold land and land option	-	Not depreciated
Greenhouses	-	15% reducing balance
Plant & Machinery	-	20% reducing balance
Motor Vehicles	-	25% reducing balance

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.

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit or loss.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

2. ACCOUNTING POLICIES - continued

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.

Operating leases: the company as lessee

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

Leased Assets: The company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension costs and other post-retirement benefits

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

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

Finance costs

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

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

3. 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 revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of stock

At the end of the reporting period, management undertake an assessment of stock based upon their knowledge of the market and the movement of each stock item. Where necessary impairment is recognised in the profit and loss account.

The actual net realisable value may differ from the estimated level of recovery.

Impairment of trade debtors

At each balance sheet date, management undertake an assessment of the recoverability of trade debtors based upon their knowledge of the customers, ageing of the balances outstanding and previous write off history. Where necessary, an impairment is recorded as a doubtful debt.

The actual level of debt collected may differ from the estimated level of recovery.

4. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	2,819,223	2,404,565
Social security costs	252,016	211,458
Other pension costs	59,639	64,766
	<u>3,130,878</u>	<u>2,680,789</u>

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

	2022	2021
Employees	<u>102</u>	<u>89</u>

	2022 £	2021 £
Directors' remuneration	<u>216,666</u>	<u>159,127</u>

The number of directors to whom retirement benefits were accruing was as follows:

	<u>4</u>	<u>2</u>
Money purchase schemes		

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director for the year ended 30 September 2022 is as follows:

	2022
	£
Emoluments etc	<u>79,500</u>

5. OPERATING PROFIT

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

	2022	2021
	£	£
Hire of plant and machinery	5,647	6,451
Depreciation - owned assets	159,195	105,313
Profit on disposal of fixed assets	(16,457)	(97)
Auditors' remuneration	<u>9,000</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	13,043	29,969
Bank loan interest	(6,345)	10,797
Other interest - factored debt	76,048	68,776
Loan - CBILS	12,106	13,022
Hire purchase	5,374	5,905
Pref dividend - pref share A	11,999	24,000
Pref dividend - pref share B	<u>3,000</u>	<u>6,000</u>
	<u>115,225</u>	<u>158,469</u>

7. 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	60,619	37,028
Deferred tax	<u>30,116</u>	<u>72,527</u>
Tax on profit	<u>90,735</u>	<u>109,555</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

7. TAXATION - continued

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>494,664</u>	<u>429,598</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	93,986	81,624
Effects of:		
Expenses not deductible for tax purposes	2,851	6,128
Super Deduction allowance	(15,114)	(13,478)
Changes in rate of Tax	6,953	34,410
Depreciation on assets not qualifying for tax allowances	914	871
Prior year adjustments	1,145	-
Total tax charge	<u>90,735</u>	<u>109,555</u>

8. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1 each		
Final	<u>60,005</u>	<u>11,000</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Greenhouses and equipment £	Motor vehicles £	Totals £
COST					
At 1 October 2021	419,496	1,049,752	273,969	339,730	2,082,947
Additions	73,990	171,746	-	97,470	343,206
Disposals	-	(17,800)	-	-	(17,800)
At 30 September 2022	<u>493,486</u>	<u>1,203,698</u>	<u>273,969</u>	<u>437,200</u>	<u>2,408,353</u>
DEPRECIATION					
At 1 October 2021	24,747	634,232	255,188	168,437	1,082,604
Charge for year	4,753	94,334	2,820	57,288	159,195
Eliminated on disposal	-	(17,257)	-	-	(17,257)
At 30 September 2022	<u>29,500</u>	<u>711,309</u>	<u>258,008</u>	<u>225,725</u>	<u>1,224,542</u>
NET BOOK VALUE					
At 30 September 2022	<u>463,986</u>	<u>492,389</u>	<u>15,961</u>	<u>211,475</u>	<u>1,183,811</u>
At 30 September 2021	<u>394,749</u>	<u>415,520</u>	<u>18,781</u>	<u>171,293</u>	<u>1,000,343</u>

The carrying value of assets purchased through hire purchase agreements is £346,753 (2021: £234,259).

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

10. STOCKS

	2022 £	2021 £
Finished goods and goods for resale	<u>2,079,553</u>	<u>1,776,570</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,744,731	1,633,204
Other debtors	10,000	-
	<u>1,754,731</u>	<u>1,633,204</u>

Part of the trade debtors are subject to a factoring agreement with a debt factoring company. All debts subject to the factoring agreement are secured.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 14)	163,922	208,410
Other loans (see note 14)	736,354	379,503
Hire purchase contracts (see note 15)	132,795	109,193
Trade creditors	1,085,937	1,299,859
Tax	60,619	37,028
Social security and other taxes	225,693	216,533
Other creditors	1,115	1,115
Accruals and deferred income	57,599	58,154
	<u>2,464,034</u>	<u>2,309,795</u>

All bank and other borrowings are secured by a fixed and floating charge over the assets of the company.

The bank overdraft and loan are also partly secured by limited personal guarantees made by certain directors.

The net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Other loans are unsecured.

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

	2022 £	2021 £
Bank loans (see note 14)	-	27,000
Other loans (see note 14)	405,570	483,342
Hire purchase contracts (see note 15)	101,049	98,240
	<u>506,619</u>	<u>608,582</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

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

All bank and other borrowings are secured by a fixed and floating charge over the assets of the company.

The bank overdraft and loan are also partly secured by limited personal guarantees made by certain directors.

The net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Other loans are unsecured.

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	136,922	172,410
Bank loans	27,000	36,000
Other loans	77,772	77,772
Factoring loan account	658,582	301,731
	<u>900,276</u>	<u>587,913</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	27,000
Other loans - 1-2 years	77,798	-
	<u>77,798</u>	<u>27,000</u>
Amounts falling due between two and five years:		
Other loans	77,772	233,342
Preference shares	250,000	250,000
	<u>327,772</u>	<u>483,342</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
200,000	A 4% Redeemable Cumulative Pre	£1	200,000	200,000
50,000	B 4% Redeemable Cumulative Pre	£1	50,000	50,000
			<u>250,000</u>	<u>250,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2022 £	2021 £
Net obligations repayable:		
Within one year	132,795	109,193
Between one and five years	<u>101,049</u>	<u>98,240</u>
	<u>233,844</u>	<u>207,433</u>
	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	23,068	24,466
Between one and five years	<u>31,848</u>	<u>54,916</u>
	<u>54,916</u>	<u>79,382</u>

16. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	<u>173,488</u>	<u>143,373</u>
		Deferred tax £
Balance at 1 October 2021		143,373
Provided during year		<u>30,115</u>
Balance at 30 September 2022		<u>173,488</u>

It is not possible to quantify the amounts expected to reverse over the upcoming twelve months as the company's capital expenditure expectations have not yet been finalised.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022 £	2021 £
550,000	Ordinary	£1	<u>550,000</u>	<u>550,000</u>

18. PENSION COMMITMENTS

The company operates a self administered money purchase pension scheme and there were no outstanding contributions due at 30 September 2022 or at 30 September 2021.

19. ULTIMATE CONTROLLING PARTY

The company has no ultimate controlling party.

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