

**Strategic Report, Report of the Directors and**

**Financial Statements**

**for the Year Ended 31 October 2022**

**for**

**Polar (N.E.) Limited**

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**for the Year Ended 31 October 2022**

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**Polar (N.E.) Limited**  
**Company Information**  
**for the Year Ended 31 October 2022**

**DIRECTORS:**

J Hill  
N Baxter

**REGISTERED OFFICE:**

Unit 9  
Stephenson Court  
Skippers Lane Industrial Estate  
Middlesbrough  
TS6 6UT

**REGISTERED NUMBER:**

01740670 (England and Wales)

**AUDITORS:**

Anderson Barrowcliff LLP  
Statutory Auditor  
Chartered Accountants  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

**Strategic Report**  
**for the Year Ended 31 October 2022**

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

**REVIEW OF BUSINESS**

Throughout 2022, we confronted several unique challenges that tested our resilience and adaptability. Central to these challenges were two significant contracts. One, in particular, did not align with our financial expectations, leading to strain on our cash flow. This challenge led us to secure backing from both IWOCA and FW Capital Investments.

Furthermore, we identified and addressed staffing concerns. Recognizing areas where we may have been overstaffed, we made calculated decisions to adjust our workforce. This decision was driven not merely by a desire to reduce costs, but by an intent to operate more efficiently and smartly. This leaner approach resulted in improved cash conversion and enhanced our billing cycle, leading to a reduction in debtor days.

The financial position of the company at the year end is considered to be satisfactory and is expected to continue. The company has made a pre tax loss of £361,113 in 2022 (2021: profit £971,643) and has net assets of £748,568 (2021: £941,231).

**PRINCIPAL RISKS AND UNCERTAINTIES**

As we move forward, we're acutely aware of certain potential challenges:

- Supplier Dependency: Our significant business dealings with Kawneer make it imperative for us to have contingency strategies, ensuring smooth operations even if supply chain disruptions arise.
- Product Safety: Given the diverse clientele we cater to, ensuring that our products are used safely and as intended is paramount. This is especially true considering potential ligature risks and the specific needs of our clients.
- Market Dynamics: The fluctuating nature of major contracts, especially in the construction arena, brings its own set of uncertainties. The unpredictability of the construction market is something we're constantly monitoring, and we're prepared to adapt as needed.

**FUTURE DEVELOPMENTS**

The path ahead is promising. We've witnessed a notable uptick in our project pipeline, with a significant focus on the healthcare sector. This shift not only highlights our expertise in this domain but also demonstrates a clear preference among our clients for our services over competitors. This sentiment is a testament to our commitment to quality and reliability.

Additionally, our eyes are set on global horizons. While our overseas market expansion has been a gradual journey, we genuinely believe in its potential. As this sector progresses, it has the power to reshape our company's trajectory in the coming years, offering growth and diversification opportunities.

**ON BEHALF OF THE BOARD:**

J Hill - Director

28 September 2023

**Report of the Directors**  
**for the Year Ended 31 October 2022**

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

**DIVIDENDS**

The total distribution of dividends for the year ended 31 October 2022 will be £ 36,000 .

**DIRECTORS**

J Hill has held office during the whole of the period from 1 November 2021 to the date of this report.

Other changes in directors holding office are as follows:

A W Baxter - resigned 25 October 2022

R Hill - resigned 25 October 2022

N Baxter - appointed 25 October 2022

**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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Anderson Barrowcliff LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J Hill - Director

28 September 2023

**Report of the Independent Auditors to the Members of**  
**Polar (N.E.) Limited**

**Opinion**

We have audited the financial statements of Polar (N.E.) Limited (the 'company') for the year ended 31 October 2022 which comprise the Income Statement, Other 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 October 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of**  
**Polar (N.E.) 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.

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.

Based on our understanding of the industry, we have considered applicable laws and regulations which may be fundamental to the company's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

**Report of the Independent Auditors to the Members of**  
**Polar (N.E.) Limited**

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

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. The 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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.

Helen Wilson FCA (Senior Statutory Auditor)  
for and on behalf of Anderson Barrowcliff LLP  
Statutory Auditor  
Chartered Accountants  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

2 October 2023



**Income Statement**  
**for the Year Ended 31 October 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>		<b>11,691,369</b>	11,473,134
Cost of sales		<u>8,230,839</u>	<u>7,432,662</u>
<b>GROSS PROFIT</b>		<b>3,460,530</b>	4,040,472
Administrative expenses		<u>3,773,969</u>	<u>3,041,085</u>
		<b>(313,439)</b>	999,387
Other operating income		<u>482</u>	<u>22,445</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	<b>(312,957)</b>	1,021,832
Interest payable and similar expenses	5	<u>48,156</u>	<u>50,189</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<b>(361,113)</b>	971,643
Tax on (loss)/profit	6	<u>(204,450)</u>	<u>114,047</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>(156,663)</u></b>	<u>857,596</u>

The notes form part of these financial statements

**Polar (N.E.) Limited (Registered number: 01740670)**

**Other Comprehensive Income**  
**for the Year Ended 31 October 2022**

	Notes	2022 £	2021 £
(LOSS)/PROFIT FOR THE YEAR		(156,663)	857,596
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(156,663)</u>	<u>857,596</u>

The notes form part of these financial statements

**Polar (N.E.) Limited (Registered number: 01740670)**

**Balance Sheet**  
**31 October 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		210,068		226,532
<b>CURRENT ASSETS</b>					
Stocks	9	240,389		282,548	
Debtors	10	4,146,141		3,020,750	
Cash at bank and in hand		100,844		168,446	
		<u>4,487,374</u>		<u>3,471,744</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>3,732,057</u>		<u>2,343,365</u>	
<b>NET CURRENT ASSETS</b>			<u>755,317</u>		<u>1,128,379</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			965,385		1,354,911
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(216,817)		(371,680)
<b>PROVISIONS FOR LIABILITIES</b>	16		-		(42,000)
<b>NET ASSETS</b>			<u>748,568</u>		<u>941,231</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		392		392
Capital redemption reserve	18		196		196
Retained earnings	18		747,980		940,643
<b>SHAREHOLDERS' FUNDS</b>			<u>748,568</u>		<u>941,231</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2023 and were signed on its behalf by:

J Hill - Director

N Baxter - Director

The notes form part of these financial statements

**Statement of Changes in Equity**  
**for the Year Ended 31 October 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 November 2020</b>	392	128,047	196	128,635
<b>Changes in equity</b>				
Dividends	-	(45,000)	-	(45,000)
Total comprehensive income	-	857,596	-	857,596
<b>Balance at 31 October 2021</b>	<u>392</u>	<u>940,643</u>	<u>196</u>	<u>941,231</u>
<b>Changes in equity</b>				
Dividends	-	(36,000)	-	(36,000)
Total comprehensive income	-	(156,663)	-	(156,663)
<b>Balance at 31 October 2022</b>	<u>392</u>	<u>747,980</u>	<u>196</u>	<u>748,568</u>

**Cash Flow Statement**  
**for the Year Ended 31 October 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(151,514)	505,967
Interest paid		(42,126)	(41,865)
Interest element of hire purchase payments paid		(6,030)	(8,324)
Tax paid		39,250	-
Net cash from operating activities		<u>(160,420)</u>	<u>455,778</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(41,488)</u>	<u>(9,631)</u>
Net cash from investing activities		<u>(41,488)</u>	<u>(9,631)</u>
<b>Cash flows from financing activities</b>			
New loans in year		290,000	50,000
Loan repayments in year		(89,695)	(55,217)
Capital repayments in year		(29,999)	(32,637)
Equity dividends paid		<u>(36,000)</u>	<u>(45,000)</u>
Net cash from financing activities		<u>134,306</u>	<u>(82,854)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(67,602)</u>	<u>363,293</u>
<b>Cash and cash equivalents at beginning of year</b>	2	168,446	(194,847)
<b>Cash and cash equivalents at end of year</b>	2	<u>100,844</u>	<u>168,446</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 October 2022**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
(Loss)/profit before taxation	(361,113)	971,643
Depreciation charges	57,952	57,784
Finance costs	48,156	50,189
	<u>(255,005)</u>	<u>1,079,616</u>
Decrease/(increase) in stocks	42,159	(82,133)
Increase in trade and other debtors	(1,098,238)	(507,995)
Increase in trade and other creditors	1,159,570	16,479
<b>Cash generated from operations</b>	<u><b>(151,514)</b></u>	<u><b>505,967</b></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 October 2022**

	31.10.22	1.11.21
	£	£
Cash and cash equivalents	<u>100,844</u>	<u>168,446</u>

**Year ended 31 October 2021**

	31.10.21	1.11.20
	£	£
Cash and cash equivalents	168,446	611
Bank overdrafts	-	(195,458)
	<u>168,446</u>	<u>(194,847)</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.11.21	Cash flow	At 31.10.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	168,446	(67,602)	100,844
	<u>168,446</u>	<u>(67,602)</u>	<u>100,844</u>
<b>Debt</b>			
Finance leases	(54,083)	29,999	(24,084)
Debts falling due within 1 year	(69,477)	(269,076)	(338,553)
Debts falling due after 1 year	(202,662)	68,773	(133,889)
	<u>(326,222)</u>	<u>(170,304)</u>	<u>(496,526)</u>
<b>Total</b>	<u><b>(157,776)</b></u>	<u><b>(237,906)</b></u>	<u><b>(395,682)</b></u>

**Notes to the Financial Statements**  
**for the Year Ended 31 October 2022**

**1. STATUTORY INFORMATION**

Polar (N.E.) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**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.

**Critical accounting judgements and key sources of estimation uncertainty**  
**Amounts recoverable on contracts**

Amounts recoverable on contracts are calculated in order to take the profits that the company is entitled to through the work that has been done. As the result of the calculation amounts recoverable will be included within debtors and amounts received ahead of the entitlement will be shown in accruals and deferred income.

**Turnover**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- over the period of the lease
Fixtures and fittings	- 33% on cost, 20% on cost and 10% on cost
Motor vehicles	- 25% on cost

**Stocks**

Stocks are stated at the lower of cost and estimated selling price. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 October 2022**

**2. ACCOUNTING POLICIES - continued**

**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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

**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.

**Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

**Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Government grants**

Revenue grants receivable are credited to the profit and loss in the period to which they relate.

Where assets are acquired with the aid of specific capital grants, they are capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred capital grant account and are released to the profit and loss over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 October 2022**

**3. EMPLOYEES AND DIRECTORS**

	<b>2022</b>	<b>2021</b>
	£	£
Wages and salaries	<b>2,801,998</b>	2,428,209
Social security costs	<b>282,372</b>	240,928
Other pension costs	<b>102,551</b>	99,637
	<b><u>3,186,921</u></b>	<b><u>2,768,774</u></b>

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

	<b>2022</b>	<b>2021</b>
Sales & Administration	<b>44</b>	40
Production	<b>30</b>	27
Installation	<b>7</b>	9
	<b><u>81</u></b>	<b><u>76</u></b>

	<b>2022</b>	<b>2021</b>
	£	£
Directors' remuneration	<b>242,401</b>	226,046
Directors' pension contributions to money purchase schemes	<b>24,949</b>	25,964

Information regarding the highest paid director is as follows:

	<b>2022</b>	<b>2021</b>
	£	£
Emoluments etc	<b>108,820</b>	94,910
Pension contributions to money purchase schemes	<b>4,316</b>	-

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging:

	<b>2022</b>	<b>2021</b>
	£	£
Other operating leases	<b>251,085</b>	251,901
Depreciation - owned assets	<b>39,555</b>	39,387
Depreciation - assets on hire purchase contracts	<b>18,397</b>	18,396
Auditors remuneration	<b>9,750</b>	7,000

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2022</b>	<b>2021</b>
	£	£
Bank interest	<b>367</b>	650
Funding circle interest	<b>33,110</b>	30,395
Shareholder loan interest	<b>8,649</b>	10,820
Hire purchase interest	<b>6,030</b>	8,324
	<b><u>48,156</u></b>	<b><u>50,189</u></b>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 October 2022**

**6. TAXATION**

**Analysis of the tax (credit)/charge**

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

	2022 £	2021 £
Current tax:		
UK corporation tax	(97,497)	96,047
Over provision in prior year	(67,503)	-
Corporation tax interest	2,550	-
Total current tax	<u>(162,450)</u>	<u>96,047</u>
Deferred taxation	(42,000)	18,000
Tax on (loss)/profit	<u>(204,450)</u>	<u>114,047</u>

**7. DIVIDENDS**

	2022 £	2021 £
Interim	<u>36,000</u>	<u>45,000</u>

**8. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 November 2021	126,790	512,541	212,785	23,246	875,362
Additions	-	31,477	10,011	-	41,488
At 31 October 2022	<u>126,790</u>	<u>544,018</u>	<u>222,796</u>	<u>23,246</u>	<u>916,850</u>
<b>DEPRECIATION</b>					
At 1 November 2021	111,760	320,516	193,310	23,244	648,830
Charge for year	2,440	39,283	16,228	1	57,952
At 31 October 2022	<u>114,200</u>	<u>359,799</u>	<u>209,538</u>	<u>23,245</u>	<u>706,782</u>
<b>NET BOOK VALUE</b>					
At 31 October 2022	<u>12,590</u>	<u>184,219</u>	<u>13,258</u>	<u>1</u>	<u>210,068</u>
At 31 October 2021	<u>15,030</u>	<u>192,025</u>	<u>19,475</u>	<u>2</u>	<u>226,532</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 October 2022**

**8. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Plant and machinery £</b>
<b>COST</b>	
At 1 November 2021	183,965
Transfer to ownership	<u>(96,570)</u>
At 31 October 2022	<u>87,395</u>
<b>DEPRECIATION</b>	
At 1 November 2021	65,598
Charge for year	18,397
Transfer to ownership	<u>(50,699)</u>
At 31 October 2022	<u>33,296</u>
<b>NET BOOK VALUE</b>	
At 31 October 2022	<u>54,099</u>
At 31 October 2021	<u>118,367</u>

**9. STOCKS**

	<b>2022 £</b>	<b>2021 £</b>
Raw materials and consumables	<u>240,389</u>	<u>282,548</u>

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

	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	140,683	1,205,322
Amounts recoverable on contract	3,229,979	1,623,953
Other debtors	98,444	24,069
Taxation	27,153	-
VAT	343,421	24,822
Prepayments	<u>306,461</u>	<u>142,584</u>
	<u><b>4,146,141</b></u>	<u><b>3,020,750</b></u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 October 2022**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 13)	<b>9,681</b>	7,093
Other loans (see note 13)	<b>328,872</b>	62,384
Hire purchase contracts (see note 14)	<b>18,234</b>	29,999
Trade creditors	<b>2,366,114</b>	1,199,656
Taxation	-	96,047
Social security and other taxes	<b>350,377</b>	86,789
Other creditors	<b>61,530</b>	70,409
Loss making contracts	<b>122,986</b>	-
Accruals and deferred income	<b>474,263</b>	790,988
	<b><u>3,732,057</u></b>	<b><u>2,343,365</u></b>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 13)	<b>33,225</b>	42,907
Other loans (see note 13)	<b>100,664</b>	159,755
Hire purchase contracts (see note 14)	<b>5,850</b>	24,084
Other creditors	<b>77,078</b>	144,934
	<b><u>216,817</u></b>	<b><u>371,680</u></b>

**13. LOANS**

An analysis of the maturity of loans is given below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	<b>9,681</b>	7,093
Other loans - less than 1 yr	<b>328,872</b>	62,384
	<b><u>338,553</u></b>	<b><u>69,477</u></b>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<b>9,936</b>	9,681
Other loans - 1-2 years	<b>76,719</b>	69,552
	<b><u>86,655</u></b>	<b><u>79,233</u></b>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<b>23,289</b>	33,226
Other loans - 2-5 years	<b>23,945</b>	90,203
	<b><u>47,234</u></b>	<b><u>123,429</u></b>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 October 2022**

**14. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>18,234</b>	29,999
Between one and five years	<b>5,850</b>	24,084
	<b><u>24,084</u></b>	<b><u>54,083</u></b>
	<b>Non-cancellable</b>	<b>operating leases</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	<b>190,503</b>	234,590
Between one and five years	<b>188,075</b>	383,971
	<b><u>378,578</u></b>	<b><u>618,561</u></b>

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts	<b><u>24,084</u></b>	<b><u>54,083</u></b>

Bank loans and overdrafts are secured by a debenture in favour of National Westminster Bank Plc. covering all assets of the company.

Hire purchase contracts are secured on the assets to which they relate.

Included in other loans:

A Funding Circle of £336,967 repayable by 60 monthly payments of capital and interest, commencing January 2020. Interest is charged at base rate plus 3%. The loan is not secured, however the directors Nathan Baxter and James Hill have provided personal guarantees for the full outstanding balance.

A IWOCA of £300,000 repayable over no fixed duration of capital and interest commencing October 2022. Interest is charged at a base rate plus 3. The loan is not secured, however the directors, Nathan Baxter and James Hill have provided personal guarantees for the full outstanding balance.

**16. PROVISIONS FOR LIABILITIES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred taxation	<b><u>-</u></b>	<b><u>42,000</u></b>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 October 2022**

**16. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 November 2021	42,000
Credit to Income Statement during year	<u>(42,000)</u>
Balance at 31 October 2022	<u>-</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2022 £	2021 £
392	Ordinary		<u>392</u>	<u>392</u>

**18. RESERVES**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 November 2021	940,643	196	940,839
Deficit for the year	(156,663)		(156,663)
Dividends	<u>(36,000)</u>		<u>(36,000)</u>
At 31 October 2022	<u>747,980</u>	<u>196</u>	<u>748,176</u>

**19. PENSION COMMITMENTS**

The company operates a non-contributory pension scheme. It is a defined contribution scheme and contributions are charged to the profit and loss as they accrue. The charge for the year amounted to £84,550 (2021 - £82,388).

**20. ULTIMATE PARENT COMPANY**

Hill Baxter Holdings Limited (incorporated in England ) is regarded by the directors as being the company's ultimate parent company.

On the 25th October 2022, Hill Baxter Holding Limited purchased 67.4% of the shares of Polar (N.E) Ltd.

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