

Yate Disposables Ltd

trading as Yate Supplies

Annual Report and Financial Statements
for the Year Ended 31 December 2022

Yate Disposables Ltd
trading as Yate Supplies

Contents

Company Information	<u>1</u>
Strategic Report	<u>2</u> to <u>3</u>
Directors' Report	<u>4</u>
Statement of Directors' Responsibilities	<u>5</u>
Independent Auditor's Report	<u>6</u> to <u>8</u>
Profit and Loss Account	<u>9</u>
Balance Sheet	<u>10</u>
Statement of Changes in Equity	<u>11</u>
Statement of Cash Flows	<u>12</u>
Notes to the Financial Statements	<u>13</u> to <u>30</u>
Detailed Profit and Loss Account	<u>31</u> to <u>34</u>

Yate Disposables Ltd
trading as Yate Supplies

Company Information

Directors	D T Aston C D Aston S J Shackleford
Registered office	26 North Road Yate Bristol BS37 7PA
Auditors	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Freshford House Redcliffe Way Bristol BS1 6NL

Yate Disposables Ltd
trading as Yate Supplies

Strategic Report for the Year Ended 31 December 2022

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

Principal activity

The principal activity of the company is that of the wholesale of industrial and catering disposable products.

Fair review of the business

The year under review has been challenging but good overall. Like so many other businesses within the hospitality industry, the business has been impacted by the global increases in raw materials, especially paper, wage increases as well as general overhead cost increases.

These increases have significantly impacted the profitability of the business within the first half of the year. The Directors' response to these challenges, which included tighter stock management and cost control, review of customer profitability, passing on some of the increases to customers, resulted in the business profitability recovering in the second part of the year.

This year's results also include a one-off rates refund following a successful Covid-19 support application made last year.

Key Performance Indicators (KPI's)

Management monitor progress of the company by reference to various financial and non-financial key performance indicators. The following are reviewed by the management team on a monthly basis:

- Stock levels and stock ageing
- Stock fulfilment
- Balance sheet ratios

Financial instruments

The company uses various basic financial instruments to raise finance and provide flexibility for the company operations. The company is exposed to foreign exchange risk - this is mitigated by using a combination of forward foreign exchange contracts and other financial instruments, including cash on hand denominated in foreign currencies.

Financial review

The company has performed well despite continuing global challenges, with turnover for the year of £25.3m (£16.2m in 2021) and a profit before tax of £554k (£357k in 2021).

Despite the multitude of price increases from suppliers, the company managed to maintain its margins with gross profit for the year being 23.3%, a 0.4% decrease compared to previous period.

The company actively monitors the overhead cost base to create efficiency savings where possible which has resulted in a good performance for the year.

Yate Disposables Ltd
trading as Yate Supplies

Strategic Report for the Year Ended 31 December 2022

Principal risks and uncertainties

Risk management is addressed through our processes, procedures and internal controls. Key risks are reviewed regularly by the management team and wherever possible, actions to mitigate these risks are put into place. The principal risks affecting the company are detailed below.

Economic downturn

Whilst the company reported a good financial performance for the year, the global challenges which resulted in higher cost of living could affect consumer confidence and therefore customer demand. The risks are managed through monitoring and reviewing economic conditions, diversifying our customer base across the sector and continuous investment.

Costs of the business

Costs are reviewed and tightly controlled against budget. The impact of outside factors, like commodity price changes, foreign exchange fluctuations and legislation changes on our costs are mitigated where possible through forecasting, forward contracts and having appropriate and adaptable pricing policies in place.

Credit risks

Prior to a customer being accepted and a sale made, appropriate credit checks are performed. The majority of sales are made to established, long standing customers of the company and therefore the credit risk on individual customers is limited.

Strategy and Future Developments

Our key focus over the coming financial year will be to maintain and service our current customer base whilst managing our margin and increased overhead costs. In the light of the new plastic tax and packaging legislation reform, we are working with our existing and new suppliers to develop a more sustainable and environmentally friendly customer proposition.

Approved and authorised by the Board on 6 April 2023 and signed on its behalf by:

.....
S J Shackleford
Director

**Yate Disposables Ltd
trading as Yate Supplies**

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors of the company

The directors who held office during the year were as follows:

D T Aston

C D Aston

S J Shackleford

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors, Milsted Langdon LLP are deemed to be reappointed under section 487(2) of The Companies Act 2006.

Approved by the Board on 6 April 2023 and signed on its behalf by:

S J Shackleford

Director

Yate Disposables Ltd
trading as Yate Supplies

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Yate Disposables Ltd
trading as Yate Supplies

Independent Auditor's Report to the Members of Yate Disposables Ltd

Opinion

We have audited the financial statements of Yate Disposables Ltd (the 'company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 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 auditor 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 original financial statements were 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 included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Yate Disposables Ltd
trading as Yate Supplies**

Independent Auditor's Report to the Members of Yate Disposables Ltd

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Yate Disposables Ltd
trading as Yate Supplies**

Independent Auditor's Report to the Members of Yate Disposables Ltd

Auditor's responsibilities for the audit of the financial statements

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Guy Armitage-Norton (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Freshford House
Redcliffe Way
Bristol
BS1 6NL

6 April 2023

Yate Disposables Ltd
trading as Yate Supplies

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	25,284,419	16,173,749
Cost of sales		<u>(19,382,537)</u>	<u>(12,335,552)</u>
Gross profit		5,901,882	3,838,197
Distribution costs		(571,254)	(406,169)
Administrative expenses		(4,630,610)	(3,255,184)
Profit/(loss) on disposal of tangible fixed assets	<u>5</u>	(28,181)	11,948
Other operating income	<u>4</u>	<u>50</u>	<u>235,451</u>
Operating profit	<u>5</u>	<u>671,887</u>	<u>424,243</u>
Other interest receivable and similar income	<u>7</u>	868	430
Interest payable and similar expenses	<u>8</u>	<u>(118,999)</u>	<u>(67,677)</u>
		<u>(118,131)</u>	<u>(67,247)</u>
Profit before tax		553,756	356,996
Tax on profit	<u>12</u>	<u>(107,302)</u>	<u>(87,829)</u>
Profit for the financial year		<u><u>446,454</u></u>	<u><u>269,167</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above. Accordingly, a separate Statement of Other Comprehensive Income is not presented.

Yate Disposables Ltd
trading as Yate Supplies

(Registration number: 01934416)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>13</u>	180	636
Tangible assets	<u>14</u>	641,486	393,238
Other financial assets	<u>15</u>	35,000	-
		<u>676,666</u>	<u>393,874</u>
Current assets			
Stocks	<u>16</u>	2,682,104	2,129,201
Debtors	<u>17</u>	4,047,819	3,103,821
Cash at bank and in hand	<u>18</u>	926,121	1,128,926
		7,656,044	6,361,948
Creditors: Amounts falling due within one year	<u>19</u>	(5,764,810)	(4,386,993)
Net current assets		<u>1,891,234</u>	<u>1,974,955</u>
Total assets less current liabilities		2,567,900	2,368,829
Creditors: Amounts falling due after more than one year	<u>19</u>	(320,751)	(437,655)
Provisions for liabilities	<u>20</u>	(122,669)	(73,148)
Net assets		<u>2,124,480</u>	<u>1,858,026</u>
Capital and reserves			
Called up share capital	<u>22</u>	102	102
Profit and loss account	<u>23</u>	2,124,378	1,857,924
Shareholders' funds		<u>2,124,480</u>	<u>1,858,026</u>

Approved and authorised by the Board on 6 April 2023 and signed on its behalf by:

S J Shackleford
Director

Yate Disposables Ltd
trading as Yate Supplies

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Profit and loss account £	Total £
At 1 January 2022	102	1,857,924	1,858,026
Profit for the year	-	446,454	446,454
Total realisation of gains in prior years	-	446,454	446,454
Dividends	-	(180,000)	(180,000)
At 31 December 2022	102	2,124,378	2,124,480

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2021	102	27,656	1,648,101	1,675,859
Profit for the year	-	-	269,167	269,167
Realisation of gains in prior years	-	(27,656)	27,656	-
Total realisation of gains in prior years	-	(27,656)	296,823	269,167
Dividends	-	-	(87,000)	(87,000)
At 31 December 2021	102	-	1,857,924	1,858,026

Yate Disposables Ltd
trading as Yate Supplies

Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		446,454	269,167
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	256,980	137,113
(Profit)/loss on disposal of tangible assets	<u>5</u>	(1,819)	1,314
Profit from sales of investment properties		-	(13,262)
Finance costs	<u>8</u>	118,999	67,677
Finance income		(868)	(430)
Corporation tax expense	<u>12</u>	107,302	87,829
(Gain)/loss from write-down of assets		30,000	-
		957,048	549,408
Working capital adjustments			
Increase in stocks	<u>16</u>	(552,903)	(384,943)
Increase in trade debtors	<u>17</u>	(943,998)	(1,165,377)
Increase in trade creditors	<u>19</u>	702,960	192,103
Cash generated from operations		163,107	(808,809)
Corporation tax paid	<u>12</u>	(50,391)	(115,342)
Net cash flow from operating activities		112,716	(924,151)
Cash flows from investing activities			
Acquisitions of tangible assets	<u>14</u>	(505,432)	(237,737)
Acquisition of asset not brought into use		(30,000)	-
Proceeds from sale of tangible assets		2,479	-
Acquisition of intangible assets	<u>13</u>	(35,000)	-
Proceeds from sale of investment properties		-	141,262
Net cash flows from investing activities		(567,953)	(96,475)
Cash flows from financing activities			
Interest paid	<u>8</u>	(118,999)	(67,677)
Interest received		868	430
Repayment of bank borrowings		(188,969)	(350,571)
Payments to finance lease creditors		(140,808)	(76,697)
New finance lease creditors		256,993	167,065
Dividends paid	<u>26</u>	(180,000)	(87,000)
Net cash flows from financing activities		(370,915)	(414,450)
Net decrease in cash and cash equivalents		(826,152)	(1,435,076)
Cash and cash equivalents at 1 January		(122,698)	1,312,378
Cash and cash equivalents at 31 December		(948,850)	(122,698)

The notes on pages 13 to 30 form an integral part of these financial statements.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:
26 North Road
Yate
Bristol
BS37 7PA

These financial statements were authorised for issue by the Board on 6 April 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in pound sterling, which is the functional currency of the company, and are rounded to the nearest pound.

Going concern

The company had a good trading year with strong financial results. The achieved turnover in 2022 was highest on record at £25.3m (£16.2m in 2021). As at 31 December 2022 the company has £926k cash reserves (2021 - £1.3m) and £2.1m net assets (2021 - £1.85m). The directors have reviewed the company's supply chains, key customers and capital resources.

Based on the above information available to the directors at the date of approval, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements and that the company has adequate resources to continue to trade for the foreseeable future being 12 months from approval of these financial statements.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

Key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During the year management have made an estimate for provision of bad debts. This basis for this provision is made on management's best estimate for the proportion of debts that are unlikely to be receivable. This estimation is considered to have a significant risk of causing a material adjustment to the carrying amount of trade debtors valuation. The carrying amount is £76,079 (2021 - £41,754).

During the year management have made an estimate for provision of stock. This basis for this provision is made on management's best estimate for the proportion of stock that is unlikely to be sold. This estimation is considered to have a significant risk of causing a material adjustment to the carrying amount of stock valuation. The carrying amount is £134,440 (2021 - £154,094).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities.

Government grants

Government grants have been recognised on an accruals basis and have been recognised in the same period in which the related expense has been incurred.

Finance income and costs policy

Interest income and expenses are recognised using the effective interest rate method.

Foreign currency transactions and balances

Transactions in currencies other than the presentational currency of these financial statements are recorded at the prevailing exchange rate on the date of the transaction. At each reporting end date, assets and liabilities recorded in foreign currency are retranslated at the prevailing exchange rate on the reporting end date. Any gains or losses arising on retranslation are recognised in the profit and loss account.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the profit or loss except that a charge attributable to an item of income or expense recognised as other comprehensive income is recognised in other comprehensive income.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax is provided at appropriate rates on all timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability of asset will crystallise in the foreseeable future. Deferred tax is recovered using tax rates expected to apply at the reversal of the timing difference.

Deferred and current taxation assets or liabilities are not discounted.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	4-8 years straight line
Motor vehicles	4-5 years straight line

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development costs	3-5 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. It also includes the net invoice finance facility balance.

Debtors

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement costs and costs, adjusted where applicable for any loss of service potential.

At each reporting date, stocks are assessed for impairment. If stocks are 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.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

Financial instruments

Recognition and measurement

Financial instruments are recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Derivative financial instruments and hedging

Derivatives

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the profit or loss.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts are valued using mark to market rates at the balance sheet date supplied by the providers of the contracts.

Hedging

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Hedge accounting for foreign exchange derivatives is not applied.

3 Turnover

	2022	2021
	£	£
UK	25,104,054	16,100,926
Europe	180,365	72,823
	<u>25,284,419</u>	<u>16,173,749</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants	-	235,238
Rent receivable	-	213
Other misc income	50	-
	<u>50</u>	<u>235,451</u>

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

5 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	256,524	136,314
Amortisation expense	456	799
Gain/(loss) from write-down of assets	30,000	-
Operating lease expense - property	365,621	320,000
Operating lease expense - vehicles	33,917	34,997
(Profit)/loss on disposal of tangible fixed assets	(1,819)	1,314
Loss/(profit) on disposal of investment property	-	(13,262)
	<u> </u>	<u> </u>

6 Government grants

There was no Government grant received in the year, but in the prior year it was in relation to the Coronavirus Job Retention Scheme ("CJRS").

The amount recognised in the financial statements was £Nil (2021 - £235,238).

7 Other interest receivable and similar income

	2022	2021
	£	£
Other finance income	868	430
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	31,091	27,747
Interest on obligations under finance leases and hire purchase contracts	15,529	7,344
Foreign exchange gains	1,232	123
Interest on invoice financing facility	71,147	32,463
	<u> </u>	<u> </u>
	<u>118,999</u>	<u>67,677</u>

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	2,489,144	1,842,658
Social security costs	224,551	164,969
Pension costs, defined contribution scheme	53,267	38,988
	<u>2,766,962</u>	<u>2,046,615</u>

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2022	2021
	No.	No.
Administration	33	30
Warehouse and drivers	55	40
Directors	3	3
	<u>91</u>	<u>73</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	<u>142,078</u>	<u>142,810</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Accruing benefits under money purchase pension scheme	<u>-</u>	<u>1</u>

11 Auditors' remuneration

	2022	2021
	£	£
Audit of the financial statements	<u>13,000</u>	<u>9,500</u>
Other fees to auditors		
Taxation compliance services	500	2,200
Other accountancy services	<u>1,500</u>	<u>-</u>
	<u>2,000</u>	<u>2,200</u>

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

12 Taxation

Tax charged/(credited) in the profit and loss account:

	2022 £	2021 £
Current taxation		
UK corporation tax	57,781	50,626
UK corporation tax adjustment to prior periods	-	(16,618)
	<u>57,781</u>	<u>34,008</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>49,521</u>	<u>53,821</u>
Tax expense in the profit and loss account	<u><u>107,302</u></u>	<u><u>87,829</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u><u>553,756</u></u>	<u><u>356,996</u></u>
Corporation tax at standard rate	105,214	67,829
Effect of revenues exempt from taxation	(19,291)	-
Effect of expense not deductible in determining taxable profit (tax loss)	-	(5,867)
Increase/(decrease) from effect of tax incentives	7,711	(2,210)
Increase in UK and foreign current tax from adjustment for prior periods	-	18,736
Tax increase from effect of indexation allowance on capital gains	-	4,779
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>13,668</u>	<u>4,562</u>
Total tax charge	<u><u>107,302</u></u>	<u><u>87,829</u></u>

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

13 Intangible assets

	Development costs £	Total £
Cost or valuation		
At 1 January 2022	33,025	33,025
At 31 December 2022	33,025	33,025
Amortisation		
At 1 January 2022	32,389	32,389
Amortisation charge	456	456
At 31 December 2022	32,845	32,845
Carrying amount		
At 31 December 2022	180	180
At 31 December 2021	636	636

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

14 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2022	519,086	615,283	1,134,369
Additions	108,406	397,026	505,432
Disposals	(22,541)	(19,000)	(41,541)
At 31 December 2022	604,951	993,309	1,598,260
Depreciation			
At 1 January 2022	413,320	327,811	741,131
Charge for the year	55,163	201,361	256,524
Eliminated on disposal	(21,881)	(19,000)	(40,881)
At 31 December 2022	446,602	510,172	956,774
Carrying amount			
At 31 December 2022	158,349	483,137	641,486
At 31 December 2021	105,766	287,472	393,238

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Motor vehicles	362,587	262,426

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

15 Other financial assets (current and non-current)

	Financial assets at fair value through profit and loss £	Total £
Non-current financial assets		
Cost or valuation		
Additions	35,000	35,000
At 31 December 2022	35,000	35,000
Impairment		
Carrying amount		
At 31 December 2022	35,000	35,000

16 Stocks

	2022 £	2021 £
Finished goods and goods for resale	2,682,104	2,129,201

Stocks are stated after provision for impairment of £134,440 (2021 - £154,094).
The replacement cost of stock does not exceed the balance sheet values stated.

17 Debtors

	Note	2022 £	2021 £
Current			
Trade debtors		3,583,819	2,342,434
Amounts owed by related parties	<u>28</u>	674	674
Other debtors		96,955	4,361
Prepayments		366,371	756,352
		4,047,819	3,103,821

Trade debtors are stated after the provision for impairment of £76,079 (2021 - £41,754)

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

18 Cash and cash equivalents

	2022	2021
	£	£
Cash on hand	1,627	19,539
Cash at bank	924,494	1,109,387
	<u>926,121</u>	<u>1,128,926</u>
Invoice discounting facility	(1,874,971)	(1,251,624)
Cash and cash equivalents in statement of cash flows	<u>(948,850)</u>	<u>(122,698)</u>

19 Creditors

	2022	2021
	£	£
Due within one year		
Loans and borrowings	<u>24</u> 2,214,001	1,546,534
Trade creditors	2,483,502	2,140,643
Amounts owed to related parties	<u>28</u> 86,814	79,104
Social security and other taxes	262,371	207,888
Outstanding defined contribution pension costs	<u>21</u> 12,803	23,225
Other creditors	183,967	68,760
Accruals	463,337	270,214
Corporation tax	<u>12</u> 58,015	50,625
	<u>5,764,810</u>	<u>4,386,993</u>
Due after one year		
Loans and borrowings	<u>24</u> 320,751	437,655

20 Provisions for liabilities

	Deferred tax	Total
	£	£
At 1 January 2022	73,148	73,148
Decrease in existing provisions	<u>49,521</u>	<u>49,521</u>
At 31 December 2022	<u>122,669</u>	<u>122,669</u>

The deferred tax provision relates to fixed asset timing differences and other short term timing differences.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £53,267 (2021 - £38,988). Contributions totalling £12,803 (2021 - £23,225) were payable to the scheme at the end of the year and are included in creditors.

22 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ord. A shares of £0.01 each	6,460	65	10,000	100
Ord. B shares of £0.01 each	3,230	32	200	2
Ord. C shares of £0.01 (2021 - £0) each	510	5	-	-
	<u>10,200</u>	<u>102</u>	<u>10,200</u>	<u>102</u>

Rights, preferences and restrictions

Ordinary 'A' shares have the following rights, preferences and restrictions:

The voting right attached to Ordinary 'A' shares is one vote per share held. All shares rank pari passu.

Ordinary 'B' shares have the following rights, preferences and restrictions:

The voting right attached to Ordinary 'B' shares is one vote per share held. All shares rank pari passu.

Ordinary 'C' shares have the following rights, preferences and restrictions:

The voting right attached to Ordinary 'C' shares is one vote per share held. All shares rank pari passu.

23 Reserves

Revaluation reserve

The revaluation reserve had historically arisen due to the company recognising changes in the value of land and buildings.

Profit and loss account

The profit and loss account represents cumulative profit and loss net of distributions to owners.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

24 Loans and borrowings

	2022	2021
	£	£
Non-current loans and borrowings		
Bank borrowings	115,607	310,460
Hire purchase contracts	205,144	127,195
	<u>320,751</u>	<u>437,655</u>

	2022	2021
	£	£
Current loans and borrowings		
Bank borrowings	194,853	188,969
Invoice discounting	1,874,971	1,251,624
Hire purchase contracts	144,177	105,941
	<u>2,214,001</u>	<u>1,546,534</u>

Invoice financing facility

The invoice financing facility of £1,874,971 (2021 - £1,251,624) is secured by a fixed and floating charge over the assets of the company.

Bank borrowings

Included in bank borrowings are amounts of £177,127 (2021 - £232,762) of Coronavirus Business Interruption Loans ("CBILS") which are repayable in monthly installments and at a fixed rate of interest, starting from the end of their respective Business Interruption Payment window. These loans are guaranteed by the UK Government.

A further loan facility of £133,333 (2021 - £266,667) is unsecured.

Hire purchase contracts

Hire purchase contracts represent rentals payable by the company for certain items of plant and machinery and vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of assets. At inception, the average lease term is usually 3-4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Obligations under hire purchase contracts of £349,321 (2021 - £233,136) are secured on the assets to which they relate.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

25 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	144,177	105,941
Later than one year and not later than five years	205,144	127,195
	<u>349,321</u>	<u>233,136</u>

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	353,723	339,231
Later than one year and not later than five years	1,395,205	1,326,204
Later than five years	1,030,473	1,383,778
	<u>2,779,401</u>	<u>3,049,213</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £399,538 (2021 - £354,997).

26 Dividends

Interim dividends paid

	2022	2021
	£	£
Interim dividend of £63.33 (2021 - £8.70) per each Ord. A shares	180,000	87,000
	<u>180,000</u>	<u>87,000</u>

27 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2021 - £Nil).

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

28 Related party transactions

Summary of transactions with other related parties

Other related parties relate to companies under common control and close family members of key management.

Included within amounts owed by related parties is an amount of £674 (2021 - £674) owing from a company under common control.

Also included within amounts owed to related parties is an amount of £86,814 owed to the directors of the company (2021 - £79,104).

During the year, rebates of £76,116 (2021 - £48,269) were received from a company with common directors. Included within accrued income is an amount of £75,599 (2021 - £38,535) owing from a company with common directors.

29 Financial instruments

Categorisation of financial instruments

	2022	2021
	£	£
Financial assets measured at fair value through profit or loss	3,681,448	2,347,469
Financial liabilities measured at fair value through profit or loss that are not held as part of a trading portfolio and are not derivatives	(5,622,224)	(4,554,434)

30 Parent and ultimate parent undertaking

The ultimate controlling party is Mr D and Mrs C Aston, directors of the company by virtue of their 63% holding of the equity share capital of Yate Disposables Ltd.

Yate Disposables Ltd
trading as Yate Supplies

Notes to the Financial Statements for the Year Ended 31 December 2022

31 Analysis of changes in net debt

	At 1 January 2022 £	Financing cash flows £	New finance leases £	Foreign exchange movements £	Other non-cash changes £	At 31 December 2022 £
Cash and cash equivalents						
Cash	1,128,926	435,773	-	1,232	(639,810)	926,121
Invoice discounting facility	(1,251,624)	(623,347)	-	-	-	(1,874,971)
	(122,698)	(187,574)	-	1,232	(639,810)	(948,850)
Borrowings						
Long term borrowings	(310,460)	194,853	-	-	-	(115,607)
Short term borrowings	(188,969)	(5,884)	-	-	-	(194,853)
Lease liabilities	(233,136)	(373,178)	256,993	-	-	(349,321)
	(732,565)	(184,209)	256,993	-	-	(659,781)
	(855,263)	(371,783)	256,993	1,232	(639,810)	(1,608,631)

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.