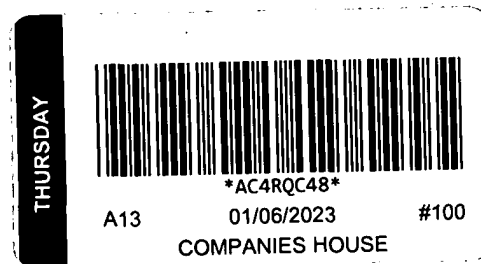


**REGISTERED NUMBER: 02389394 (England and Wales)**

**Companies House**

**LINTHWAITE LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



Milne Craig  
Chartered accountants  
Statutory auditor  
Abercom House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

**LINTHWAITE LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**LINTHWAITE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>DIRECTORS:</b>	David Raymond Merrick Frank Gittus
<b>SECRETARY:</b>	Frank Gittus
<b>REGISTERED OFFICE:</b>	Units 9-11 Lower Road Trading Estate Ledbury Herefordshire HR8 2DJ
<b>REGISTERED NUMBER:</b>	02389394 (England and Wales)
<b>AUDITORS:</b>	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
<b>BANKERS:</b>	HSBC Bank PLC The Cross Gloucester GL1 2AP
<b>SOLICITORS:</b>	Paytons Solicitors 112-118 Worcester Road Malvern Worcester WR14 1SS

**LINTHWAITE LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**REVIEW OF BUSINESS**

The key financial highlights are as follows:

	2022	2021	2020
Turnover	19,696,544	18,713,002	15,085,762
Turnover growth/(fall)	5%	24%	(4%)
Profit before tax	578,432	782,953	357,263

The net assets of the company have increased from £6,981,981 at 31 December, 2021 to £7,431,520 at 31 December, 2022.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The market conditions are difficult given the current economic conditions, but the directors consider that the company is well placed to obtain contracts given its experience and business relationships. In addition, the directors seek to control overhead costs in order to maintain the profitability of the company.

The directors have also assessed the potential impact of coronavirus and are not expecting that trading or the financial position of the company will be significantly impacted. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**ENVIRONMENT**

The company recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

**FINANCIAL INSTRUMENTS**

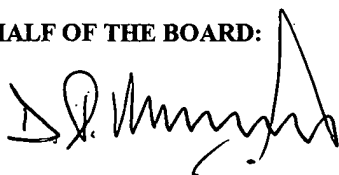
The company's principal financial instruments comprise bank balances, trade creditors and a bank loan in relation to the company's properties. The main purpose of these instruments is to finance the company's operations.

The company has two bank terms loans outstanding. The bank term loans are secured over the company's premises at Unit 17 and Unit 13, Sandbank Trading Estate, Dunoon and Units 9-11, Lower Road Trading Estate, Ledbury and carry varying interest rates over the bank base rate.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**ON BEHALF OF THE BOARD:**



David Raymond Merrick - Director

16 May 2023

**LINTHWAITE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of the manufacture and distribution of insulation and building plastic products as well as facilities management and printing services.

**DIVIDENDS**

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

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

David Raymond Merrick  
Frank Gittus

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances, trade creditors and a bank loan in relation to the company's properties. The main purpose of these instruments is to finance the company's operations.

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Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**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**

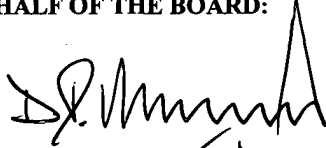
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**LINTHWAITE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**AUDITORS**

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'D. Merrick', with a large, stylized flourish at the end.

David Raymond Merrick - Director

16 May 2023

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINTHWAITE LIMITED**

### **Opinion**

We have audited the financial statements of Linthwaite Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 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  
LINTHWAITE 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.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINTHWAITE LIMITED**

### **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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, and determined that the most significant are those that relate to the form and content of the financial statements such as the accounting policies and the UK Companies Act 2006.

We assessed how the Company is complying with these frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviours and a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by making an assessment of the key fraud risks to the Company, and the manner in which such risks may occur in practice, based on our previous knowledge of the Company, as well as an assessment of the current business environment.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk, including management override of controls. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error. We evaluated the design and operational effectiveness of controls put in place to address the risks identified, or that otherwise prevent, deter and detect fraud.

In addition, our audit procedures included enquiring of management concerning actual and potential litigation and claims, and performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. We addressed the fraud risk in relation to revenue recognition by testing completeness and cut off of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance, and cannot be expected to detect non-compliance with all laws and regulations.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
LINTHWAITE 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.



Alex Webb BAcc FCCA (Senior Statutory Auditor)

for and on behalf of Milne Craig

Chartered accountants

Statutory auditor

Abercorn House

79 Renfrew Road

Paisley

Renfrewshire

PA3 4DA

16 May 2023

**LINTHWAITE LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	3	19,696,544	18,713,002
Cost of sales		(12,506,270)	(12,018,587)
<b>GROSS PROFIT</b>		7,190,274	6,694,415
Distribution costs		(2,062,647)	(2,305,691)
Administrative expenses		(3,648,340)	(3,818,661)
		1,479,287	570,063
Other operating income		122,095	217,358
<b>OPERATING PROFIT</b>		1,601,382	787,421
Intercompany loan written off	5	(1,012,815)	-
		588,567	787,421
Interest receivable and similar income		18,621	17,160
		607,188	804,581
Interest payable and similar expenses	6	(28,756)	(21,628)
<b>PROFIT BEFORE TAXATION</b>	7	578,432	782,953
Tax on profit	8	(128,893)	(178,478)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		449,539	604,475

The notes form part of these financial statements

**LINTHWAITE LIMITED**

**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Notes	2022 £	2021 £
<b>PROFIT FOR THE YEAR</b>	449,539	604,475
<b>OTHER COMPREHENSIVE INCOME</b>		
Revaluation of property	-	188,390
Deferred tax on revaluation of property	-	(18,898)
Income tax relating to components of other comprehensive income	-	-
	<hr/>	<hr/>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	-	169,492
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>449,539</u>	<u>773,967</u>

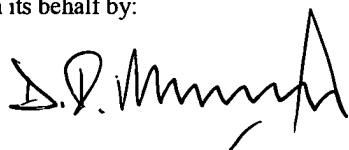
The notes form part of these financial statements

**LINTHWAITE LIMITED (REGISTERED NUMBER: 02389394)**

**BALANCE SHEET  
31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	10	3,506,076	3,349,818
<b>CURRENT ASSETS</b>			
Stocks	11	3,001,925	2,291,972
Debtors	12	7,136,331	6,474,426
Cash at bank and in hand		932,165	1,465,077
		<u>11,070,421</u>	<u>10,231,475</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>6,375,085</u>	<u>6,280,743</u>
<b>NET CURRENT ASSETS</b>		<u>4,695,336</u>	<u>3,950,732</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,201,412</u>	<u>7,300,550</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(647,241)	(193,340)
<b>PROVISIONS FOR LIABILITIES</b>	19	(116,625)	(116,032)
<b>ACCRUALS AND DEFERRED INCOME</b>	20	(6,026)	(9,197)
<b>NET ASSETS</b>		<u><u>7,431,520</u></u>	<u><u>6,981,981</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	3,600	3,600
Share premium	22	29,400	29,400
Other reserve	22	73,315	73,315
Revaluation reserve	22	580,725	580,725
Retained earnings	22	<u>6,744,480</u>	<u>6,294,941</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>7,431,520</u></u>	<u><u>6,981,981</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 May 2023 and were signed on its behalf by:



David Raymond Merrick - Director

The notes form part of these financial statements

**LINTHWAITE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2021</b>	3,600	5,715,466	29,400
<b>Changes in equity</b>			
Dividends	-	(25,000)	-
Total comprehensive income	-	604,475	-
<b>Balance at 31 December 2021</b>	<u>3,600</u>	<u>6,294,941</u>	<u>29,400</u>
<b>Changes in equity</b>			
Total comprehensive income	-	449,539	-
<b>Balance at 31 December 2022</b>	<u>3,600</u>	<u>6,744,480</u>	<u>29,400</u>
	Other reserve £	Revaluation reserve £	Total equity £
<b>Balance at 1 January 2021</b>	73,315	411,233	6,233,014
<b>Changes in equity</b>			
Dividends	-	-	(25,000)
Total comprehensive income	-	169,492	773,967
<b>Balance at 31 December 2021</b>	<u>73,315</u>	<u>580,725</u>	<u>6,981,981</u>
<b>Changes in equity</b>			
Total comprehensive income	-	-	449,539
<b>Balance at 31 December 2022</b>	<u>73,315</u>	<u>580,725</u>	<u>7,431,520</u>

The notes form part of these financial statements

## **LINTHWAITE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. STATUTORY INFORMATION**

Linthwaite Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 02389394 and registered office address is Units 9-11, Lower Road Trading Estate, Ledbury, Herefordshire, HR8 2DJ.

The nature of the company's operations and its principal activities for the year under review was that of the manufacture and distribution of insulation and building plastic products as well as facilities management and printing services.

#### **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 as modified by the revaluation of certain assets.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have assessed the potential impact of coronavirus and are not expecting that trading or the financial position of the company will be significantly impacted. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

##### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

##### **Critical accounting judgments & key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

## **LINTHWAITE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. ACCOUNTING POLICIES - continued**

##### **Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

##### **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.

Improvements to property	- 4% on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost

Freehold property is carried at fair value and as such no depreciation is charged.

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs, and value in use.

##### **Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

##### **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 the income statement in the period to which they relate

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.



## LINTHWAITE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. ACCOUNTING POLICIES - continued

##### **Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

## **LINTHWAITE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. ACCOUNTING POLICIES - continued**

##### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### **Foreign currencies**

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

##### **Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### **Rental income**

Rental income is included in the profit and loss account in the period in which it is receivable.

# LINTHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 2. ACCOUNTING POLICIES - continued

#### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

#### Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

### 3. TURNOVER

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

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
From principal activity	19,696,544	18,713,002
	<u>19,696,544</u>	<u>18,713,002</u>

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	19,696,544	18,713,002
	<u>19,696,544</u>	<u>18,713,002</u>

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. TURNOVER - continued**

Segmental analysis has not been provided as the directors consider that such disclosure would be prejudicial to the business.

**4. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	2,157,945	2,096,433

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

	2022	2021
Administration	39	39
Production	6	5
Warehouse and drivers	29	30
	<u>74</u>	<u>74</u>

	2022	2021
	£	£
Directors' remuneration	38,094	85,021

**5. EXCEPTIONAL ITEMS**

	2022	2021
	£	£
Intercompany loan written off	(1,012,815)	-

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest	1,194	311
Bank loan interest	24,006	10,920
Hire purchase	3,556	10,397
	<u>28,756</u>	<u>21,628</u>

**7. PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2022	2021
	£	£
Hire of plant and machinery	16,417	16,238
Depreciation - owned assets	211,169	146,889
Depreciation - assets on hire purchase contracts	28,192	76,062
Profit on disposal of fixed assets	(21,941)	(3,610)
Auditors' remuneration	18,344	19,464

# LINTHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 8. 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	128,300	143,225
Deferred tax	593	35,253
Tax on profit	<u>128,893</u>	<u>178,478</u>

UK corporation tax has been charged at 19% (2021 - 19%).

#### Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>578,432</u>	<u>782,953</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	109,902	148,761
Effects of:		
Expenses not deductible for tax purposes	183,977	1,870
Deferred tax rate changes	6,111	27,847
Group relief claimed	(146,401)	-
Prior year adjustment - deferred tax	(24,867)	-
Indexation allowances and rebasing	171	-
Total tax charge	<u>128,893</u>	<u>178,478</u>

#### Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2022.

	Gross £	2021 Tax £	Net £
Revaluation of property	188,390	-	188,390
Deferred tax on revaluation of property	(18,898)	-	(18,898)
	<u>169,492</u>	<u>-</u>	<u>169,492</u>

The main rate of corporation tax is 19%. The main rate of UK corporation tax will rise to 25% from 1 April 2023.

### 9. DIVIDENDS

	2022 £	2021 £
Interim	<u>-</u>	<u>25,000</u>

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 January 2022	2,350,008	196,264	2,203,167
Additions	-	89,337	235,946
Disposals	-	-	-
At 31 December 2022	2,350,008	285,601	2,439,113
<b>DEPRECIATION</b>			
At 1 January 2022	-	42,146	1,635,010
Charge for year	-	9,766	139,061
Eliminated on disposal	-	-	-
At 31 December 2022	-	51,912	1,774,071
<b>NET BOOK VALUE</b>			
At 31 December 2022	2,350,008	233,689	665,042
At 31 December 2021	2,350,008	154,118	568,157
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2022	116,699	399,963	5,266,101
Additions	10,300	108,645	444,228
Disposals	-	(132,957)	(132,957)
At 31 December 2022	126,999	375,651	5,577,372
<b>DEPRECIATION</b>			
At 1 January 2022	78,777	160,350	1,916,283
Charge for year	1,444	89,090	239,361
Eliminated on disposal	-	(84,348)	(84,348)
At 31 December 2022	80,221	165,092	2,071,296
<b>NET BOOK VALUE</b>			
At 31 December 2022	46,778	210,559	3,506,076
At 31 December 2021	37,922	239,613	3,349,818

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 December 2022 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2019	175,265	-	-
Valuation in 2021	188,390	-	-
Cost	1,986,353	285,601	2,439,113
	<u>2,350,008</u>	<u>285,601</u>	<u>2,439,113</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2019	-	-	175,265
Valuation in 2021	-	-	188,390
Cost	126,999	375,651	5,213,717
	<u>126,999</u>	<u>375,651</u>	<u>5,577,372</u>

The net book value of tangible fixed assets includes £551,743 (2021 - £166,486) in respect of assets held under hire purchase contracts.

**11. STOCKS**

	2022 £	2021 £
Finished goods	3,001,925	2,291,972
	<u>3,001,925</u>	<u>2,291,972</u>

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

	2022 £	2021 £
Trade debtors	3,053,051	2,758,895
Amounts owed by group undertakings	3,176,114	3,018,530
Amounts owed by associates	649,576	591,875
Other debtors	12,681	13,243
Directors' current accounts	100,605	-
Prepayments	144,304	91,883
	<u>7,136,331</u>	<u>6,474,426</u>

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	399,167	363,468
Hire purchase contracts (see note 16)	135,611	47,773
Trade creditors	2,828,870	2,695,096
Corporation tax	8,060	143,225
Social security and other taxes	346,428	422,123
Directors' current accounts	-	168,583
Accrued expenses	2,656,949	2,440,475
	<u>6,375,085</u>	<u>6,280,743</u>

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

	2022	2021
	£	£
Bank loans (see note 15)	387,768	150,535
Hire purchase contracts (see note 16)	259,473	42,805
	<u>647,241</u>	<u>193,340</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>399,167</u>	<u>363,468</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>84,054</u>	<u>150,535</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>303,714</u>	<u>-</u>

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 2022	2021
	£	£
Net obligations repayable:		
Within one year	135,611	47,773
Between one and five years	259,473	42,805
	<u>395,084</u>	<u>90,578</u>



# LINTHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 16. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	132,552	27,523
Between one and five years	168,048	56,976
	<u>300,600</u>	<u>84,499</u>

### 17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	786,935	514,003
Hire purchase contracts	395,084	-
	<u>1,182,019</u>	<u>514,003</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

The company has two bank terms loans. The bank loan term ranges from 8-10 years of which 1-2 years remain outstanding. The bank term loans are secured over the company's premises at Unit 17 and Unit 13, Sandbank Trading Estate, Dunoon and Units 9-11, Lower Road Trading Estate, Ledbury and carry varying interest rates over the bank base rate.

The hire purchase and lease creditors are secured over the assets which they relate.

The company has entered into a guarantee for £20,000 in favour of H M Revenue and Customs.

### 18. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2022	2021
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>11,070,421</u>	<u>10,231,475</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>7,022,326</u>	<u>6,474,083</u>

### 19. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>116,625</u>	<u>116,032</u>

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2022	116,032
Originating and reversal of timing differences	22,472
Effect of changes in tax rates	(21,879)
Balance at 31 December 2022	<u>116,625</u>

Details of the provision for deferred taxation are given below:

	2022 £	2021 £
Accelerated capital allowances	116,625	92,217
Other timing differences	-	(1,052)
Capital gains	-	24,867
Provision for deferred tax liability	<u>116,625</u>	<u>116,032</u>

**20. ACCRUALS AND DEFERRED INCOME**

	2022 £	2021 £
Accruals and deferred income	<u>6,026</u>	<u>9,197</u>

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022 £	2021 £
3,600	Ordinary	£1	<u>3,600</u>	<u>3,600</u>

**22. RESERVES**

	Retained earnings £	Share premium £	Other reserve £	Revaluation reserve £	Totals £
At 1 January 2022	6,294,941	29,400	73,315	580,725	6,978,381
Profit for the year	449,539				449,539
At 31 December 2022	<u>6,744,480</u>	<u>29,400</u>	<u>73,315</u>	<u>580,725</u>	<u>7,427,920</u>

Profit and loss account includes all current and prior period retained profits and losses.

Other reserve represents previous revaluations of property prior to the transition to FRS 102.

Revaluation reserve represents the revaluation of property to fair value.

**23. ULTIMATE PARENT COMPANY**

The ultimate parent company is Linthwaite Group Limited, company number 07864395, registered in England. Copies of the group financial statements are available from Units 9-11, Lower Road Trading Estate, Ledbury, HR8 2DJ.

# LINTHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 24. CAPITAL COMMITMENTS

	2022	2021
	£	£
Contracted but not provided for in the financial statements	15,992	-

### 25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the period the director received an interest free loan from the company, and the balance outstanding on this loan at the period end was £100,605 (2021 - £168,583 creditor). The balance will be cleared within nine months of the year end.

### 26. RELATED PARTY DISCLOSURES

The company operates from a property owned by the director for which the company pays a rent to him of £102,250 (2021 - £102,000).

Included in debtors and creditors there are amounts due to/from Davant Products Limited Directors Retirement Benefit Scheme on which interest is payable. The scheme members include the director. The amount due from at the year end amounted to £11,743 (2021 - £11,743).

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £236,665 (2021 - £294,863).

### 27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party by virtue of his shareholding in Linthwaite Group Limited is D R Merrick.