

**COMMERCIAL LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**COMMERCIAL LIMITED**

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## **COMMERCIAL LIMITED**

### **Company Information**

<b>Directors</b>	A Hindmarch A Adams S D Hindmarch
<b>Registered office</b>	Commercial House Old Station Drive Leckhampton Cheltenham GL53 0DL
<b>Bankers</b>	Santander UK Plc 2 Triton Square Regents Place London NW1 3AN
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **COMMERCIAL LIMITED**

### **Directors' Report for the Year Ended 30 June 2023**

The directors present their report and the financial statements for the year ended 30 June 2023.

#### **Directors of the company**

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

A Hindmarch

A Adams

S D Hindmarch

#### **Section 172 statement**

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The company has considered the long-term strategy of the business in the Strategic Report and consider that this strategy will continue to deliver long term success to the business and it's stakeholders.

The company is committed to maintaining an excellent reputation and strives to achieve high standards. We are highly selective about which suppliers are used to deliver best value while maintaining an awareness of the environmental impact of the work that they do and strive to reduce their carbon footprint.

The Directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the company are considered to be the employees, suppliers and customers.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the company.

#### **Streamlined Energy and Carbon reporting**

The company has taken the exemption from the reporting requirements of Streamlined Energy and Carbon Reporting as this is disclosed in full in its parent entity's accounts. A full copy of the parent accounts can be found at Companies House.

#### **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**

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 28 March 2024 and signed on its behalf by:

A Hindmarch

Director

## COMMERCIAL LIMITED

### Strategic Report for the Year Ended 30 June 2023

The directors present their strategic report for the year ended 30 June 2023.

#### **Fair review of the business and future developments**

The results for the year which are set out in the profit and loss account show turnover of £60,226,240 (2022: £51,453,523) and a profit for the financial year of £573,065 (2022: £1,579,218). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

#### **Principal risks and uncertainties**

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from other providers of office supplies and IT services and the challenges arising as a result of the current economic climate.

#### **Key performance indicators**

**Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development, performance or the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.**

#### ***Objectives and policies***

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price or liquidity risk.

#### ***Going concern***

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for the Directors of UK Companies 2009' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

Commercial Ltd has generated profits this financial year which has strengthen our cash position. The business manages its cash carefully and has significant banking facilities available to it that remain unused. The Directors also believe that the company will have ongoing support from our other group companies.

The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 28 March 2024 and signed on its behalf by:

.....  
A Hindmarch  
Director

## **COMMERCIAL LIMITED**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report, Strategic 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 UK Accounting Standards has 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.

## **COMMERCIAL LIMITED**

### **Independent Auditor's Report to the Members of Commercial Limited**

#### **Opinion**

We have audited the financial statements of Commercial Limited (the 'company') for the year ended 30 June 2023, which comprise the Profit and Loss Account, 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 30 June 2023 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.

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.

## **COMMERCIAL LIMITED**

### **Independent Auditor's Report to the Members of Commercial Limited**

#### **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 4, 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.

#### **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.

#### ***Extent to which the audit was capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the group's industry and its control environment and reviewed the groups's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

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



## **COMMERCIAL LIMITED**

### **Independent Auditor's Report to the Members of Commercial Limited**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 auditor's report.

#### **Use of this 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.

Jon Cartwright (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

28 March 2024

**COMMERCIAL LIMITED****Profit and Loss Account for the Year Ended 30 June 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Turnover</b>	<u>3</u>	60,226,240	51,453,523
Cost of sales		<u>(49,207,322)</u>	<u>(40,905,321)</u>
<b>Gross profit</b>		11,018,918	10,548,202
Administrative expenses		(10,237,411)	(8,731,447)
Other operating income	<u>4</u>	<u>22,500</u>	<u>22,499</u>
<b>Operating profit</b>	<u>5</u>	804,007	1,839,254
Interest payable and similar charges	<u>8</u>	<u>(40,004)</u>	<u>(15,503)</u>
<b>Profit before tax</b>		764,003	1,823,751
Taxation	<u>9</u>	<u>(190,938)</u>	<u>(244,533)</u>
<b>Profit for the financial year</b>		<u><u>573,065</u></u>	<u><u>1,579,218</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

**COMMERCIAL LIMITED**

(Registration number: 02589514)  
 Balance Sheet as at 30 June 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	<u>10</u>	46,732	11,327
Tangible assets	<u>11</u>	2,018,489	1,412,815
		<u>2,065,221</u>	<u>1,424,142</u>
<b>Current assets</b>			
Stocks	<u>12</u>	2,307,340	3,231,684
Debtors	<u>13</u>	12,878,722	13,789,985
Cash at bank and in hand		<u>1,041,318</u>	<u>322,170</u>
		16,227,380	17,343,839
<b>Creditors: Amounts falling due within one year</b>	<u>14</u>	<u>(15,024,694)</u>	<u>(15,759,761)</u>
<b>Net current assets</b>		<u>1,202,686</u>	<u>1,584,078</u>
<b>Total assets less current liabilities</b>		3,267,907	3,008,220
Creditors: Amounts falling due after more than one year	<u>14</u>	<u>(669,527)</u>	<u>(412,905)</u>
<b>Net assets</b>		<u>2,598,380</u>	<u>2,595,315</u>
<b>Capital and reserves</b>			
Called up share capital	<u>17</u>	10,802	10,802
Share premium reserve		78,023	78,023
Retained earnings		<u>2,509,555</u>	<u>2,506,490</u>
<b>Total equity</b>		<u>2,598,380</u>	<u>2,595,315</u>

Approved and authorised by the Board on 28 March 2024 and signed on its behalf by:

A Hindmarch  
 Director

The notes on pages 11 to 21 form an integral part of these financial statements.

**COMMERCIAL LIMITED****Statement of Changes in Equity for the Year Ended 30 June 2023**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2021	10,802	78,023	2,047,272	2,136,097
Profit for the period	-	-	1,579,218	1,579,218
Dividends	-	-	(1,120,000)	(1,120,000)
At 30 June 2022	10,802	78,023	2,506,490	2,595,315

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2022	10,802	78,023	2,506,490	2,595,315
Profit for the year	-	-	573,065	573,065
Dividends	-	-	(570,000)	(570,000)
At 30 June 2023	10,802	78,023	2,509,555	2,598,380

The notes on pages 11 to 21 form an integral part of these financial statements.

## **COMMERCIAL LIMITED**

### **Notes to the Financial Statements for the Year Ended 30 June 2023**

#### **1 General information**

The address of its registered office is:

Commercial House  
Old Station Drive  
Leckhampton  
Cheltenham  
GL53 0DL

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

#### **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 for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Summary of disclosure exemptions**

The company has adopted the following disclosure exemptions available whilst preparing financial statements under FRS 102:

- Cash flow
- Balances with group companies.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Commercial Corporate Services Limited.

The financial statements of Commercial Corporate Services Limited may be obtained from the company's registered office.

##### **Going concern**

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future, which is at least, but not limited to, 12 months from the date of signing these financial statements.

The company has generated profits this financial year which has strengthened the cash position. The business manages its cash carefully and has significant banking facilities available to it that remain unused. The Directors also believe that the company will have ongoing support from our other group companies.

The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

## COMMERCIAL LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

#### ***Key sources of estimation uncertainty***

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

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.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## COMMERCIAL LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short term leasehold property	5-10 years straight line
Rental machines	Over the lower of the rental agreement or 3 years
Motor vehicles	33% straight line
Fixtures and fittings	20% / 33% straight line
Other fixed assets	20% / 33% straight line

#### Intangible assets

Intangible assets relate to capitalised software costs and are stated at cost less any subsequent amortisation.

#### 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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Computer software	20% 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.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of cash expected to be received. 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 is determined using the first-in, first-out method.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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 are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### 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.

## **COMMERCIAL LIMITED**

### **Notes to the Financial Statements for the Year Ended 30 June 2023**

#### **Leases**

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 distributions 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.

#### **Financial Instruments**

##### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Impairment**

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.



## COMMERCIAL LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### Financial assets:

For financial assets carried at amortised cost, the amount of an 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.

### 3 Turnover

The analysis of the company's turnover for the year by operations is as follows:

	2023 £	2022 £
Stationery, print and other product sales	55,381,216	46,286,295
Interiors	4,845,024	5,167,228
	<u>60,226,240</u>	<u>51,453,523</u>

The analysis of the company's turnover for the year by market is as follows:

	2023 £	2022 £
UK	58,520,731	50,526,132
Other EU	1,705,509	927,391
	<u>60,226,240</u>	<u>51,453,523</u>

### 4 Other operating income

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

	2023 £	2022 £
Rental income	<u>22,500</u>	<u>22,499</u>

### 5 Operating profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	583,187	440,960
Amortisation expense	18,602	37,395
Operating lease expense - other assets	209,052	141,403
Operating lease expense - plant and machinery	5,266	4,360
Profit on disposal of property, plant and equipment	(47,592)	(5,366)
Auditor's remuneration - the audit of the company's annual statutory accounts	<u>24,250</u>	<u>23,100</u>

## COMMERCIAL LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 6 Staff costs

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

	2023 £	2022 £
Wages and salaries	7,418,476	6,876,439
Social security costs	835,455	743,724
Pension costs, defined contribution scheme	166,262	203,109
	<u>8,420,193</u>	<u>7,823,272</u>

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

	2023 No.	2022 No.
Administration	74	68
Sales and account management	74	68
Distribution	17	15
	<u>165</u>	<u>151</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration (including benefits in kind)	675,608	736,481
Contributions paid to money purchase schemes	6,692	9,470
	<u>682,300</u>	<u>745,951</u>

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

	2023 No.	2022 No.
Received or were entitled to receive shares under long term incentive schemes	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2023 £	2022 £
Remuneration (including benefits in kind)	<u>241,195</u>	<u>295,415</u>

#### 8 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank borrowings	1,127	694
Hire purchase interest	31,874	14,654
Interest expense on other finance liabilities	7,003	155
	<u>40,004</u>	<u>15,503</u>

**COMMERCIAL LIMITED****Notes to the Financial Statements for the Year Ended 30 June 2023****9 Corporation tax**

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

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	92,993	203,423
UK corporation tax adjustment to prior periods	(6,980)	(36,910)
	<u>86,013</u>	<u>166,513</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	93,584	78,020
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	11,341	-
	<u>104,925</u>	<u>78,020</u>
<b>Total deferred taxation</b>	<u>104,925</u>	<u>78,020</u>
<b>Tax expense in the income statement</b>	<u><u>190,938</u></u>	<u><u>244,533</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 20.5% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>764,003</u>	<u>1,823,751</u>
Corporation tax at standard rate	156,621	346,513
Effect of expense not deductible in determining taxable profit (tax loss)	5,406	(117,288)
UK deferred tax expense relating to changes in tax rates or laws	16,861	52,218
Increase/(decrease) in UK and foreign current tax from unrecognised temporary difference from a prior period	4,361	(36,910)
Tax increase from effect of capital allowances and depreciation	7,689	-
<b>Total tax charge</b>	<u><u>190,938</u></u>	<u><u>244,533</u></u>

**Deferred tax**

Deferred tax assets and liabilities

2023	Asset £
Difference between accumulated depreciation and capital allowances	143,318
Short term timing differences	<u>2,760</u>
	<u><u>146,078</u></u>
<b>2022</b>	Asset £
Difference between accumulated depreciation and capital allowances	248,356
Short term timing differences	<u>2,647</u>
	<u><u>251,003</u></u>

## COMMERCIAL LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 10 Intangible assets

	Software costs £
<b>Cost</b>	
At 1 July 2022	871,723
Additions	54,007
Disposals	<u>(24,357)</u>
At 30 June 2023	<u>901,373</u>
<b>Amortisation</b>	
At 1 July 2022	860,396
Amortisation charge	18,602
Amortisation eliminated on disposals	<u>(24,357)</u>
At 30 June 2023	<u>854,641</u>
<b>Carrying amount</b>	
At 30 June 2023	<u><u>46,732</u></u>
At 30 June 2022	<u><u>11,327</u></u>

#### 11 Tangible assets

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost</b>					
At 1 July 2022	1,140,954	660,488	4,116,843	641,763	6,560,048
Additions	22,867	17,054	1,079,319	70,027	1,189,267
Disposals	<u>-</u>	<u>(64,982)</u>	<u>(552,424)</u>	<u>(86,341)</u>	<u>(703,747)</u>
At 30 June 2023	<u>1,163,821</u>	<u>612,560</u>	<u>4,643,738</u>	<u>625,449</u>	<u>7,045,568</u>
<b>Depreciation</b>					
At 1 July 2022	641,617	630,841	3,313,521	561,253	5,147,232
Charge for the year	4,001	31,744	489,598	57,844	583,187
Eliminated on disposal	<u>-</u>	<u>(64,982)</u>	<u>(552,424)</u>	<u>(85,934)</u>	<u>(703,340)</u>
At 30 June 2023	<u>645,618</u>	<u>597,603</u>	<u>3,250,695</u>	<u>533,163</u>	<u>5,027,079</u>
<b>Carrying amount</b>					
At 30 June 2023	<u><u>518,203</u></u>	<u><u>14,957</u></u>	<u><u>1,393,043</u></u>	<u><u>92,286</u></u>	<u><u>2,018,489</u></u>
At 30 June 2022	<u><u>499,336</u></u>	<u><u>29,647</u></u>	<u><u>803,322</u></u>	<u><u>80,510</u></u>	<u><u>1,412,815</u></u>

#### Leased assets

Included within net book value of tangible fixed assets is £1,344,043 (2022 - £598,107) in respect of assets held under finance leases and similar hire purchases contracts. Depreciation for the year on these assets was £469,347 (2022 - £174,400).

## COMMERCIAL LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 12 Stocks

	2023 £	2022 £
Stocks	2,307,340	3,231,684

#### 13 Debtors

	2023 £	2022 £
Trade debtors	12,382,870	10,948,663
Other debtors	98,251	2,380,467
Prepayments	251,523	209,852
Deferred tax assets	146,078	251,003
Total current trade and other receivables	12,878,722	13,789,985

#### 14 Creditors

	Note	2023 £	2022 £
<b>Due within one year</b>			
Loans and borrowings	15	3,481,125	4,676,177
Trade creditors		8,229,366	7,422,487
Amounts due to related parties	20	794,973	1,186,674
Social security and other taxes		543,867	796,529
Other creditors		486,617	45,783
Accrued expenses		1,345,713	1,569,065
Corporation tax liability	9	143,033	63,046
		15,024,694	15,759,761
<b>Due after one year</b>			
Loans and borrowings	15	669,527	412,905

## COMMERCIAL LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 15 Loans and borrowings

	2023 £	2022 £
<b>Current loans and borrowings</b>		
HP and finance lease liabilities	555,152	316,858
Other borrowings	2,925,973	4,359,319
	<u>3,481,125</u>	<u>4,676,177</u>
	2023 £	2022 £
<b>Non-current loans and borrowings</b>		
HP and finance lease liabilities	<u>669,527</u>	<u>412,905</u>

The HP and finance lease liabilities are secured over the assets that they relate to.

Other borrowings relate to an invoice factoring facility that is secured over the company's trade debtors.

#### 16 Obligations under operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	210,369	146,306
Later than one year and not later than five years	334,876	175,671
Later than five years	156,729	-
	<u>701,974</u>	<u>321,977</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £198,536 (2022 - £151,264).

#### 17 Share capital

##### Allotted, called up and fully paid shares

	No.	2023 £	No.	2022 £
Ordinary shares of £0.10 each	102,023	10,202	102,023	10,202
'Z' Ordinary shares of £0.10 each	6,000	600	6,000	600
	<u>108,023</u>	<u>10,802</u>	<u>108,023</u>	<u>10,802</u>

Subject to the articles, the Ordinary and Z Ordinary shares rank pari passu in all respects save that the directors have the authority to declare dividends on one or more class of shares to the exclusion of the other class or classes of share and at different respective rates.

#### 18 Dividends

	2023 £	2022 £
Dividends paid	<u>570,000</u>	<u>1,120,000</u>

## **COMMERCIAL LIMITED**

### **Notes to the Financial Statements for the Year Ended 30 June 2023**

#### **19 Pension and other schemes**

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 £166,262 (2022 - £203,109).

Contributions totalling £36,279 (2022 - £37,935) were payable to the scheme at the end of the year and are included in creditors.

#### **20 Related party transactions**

The company has taken advantage of the exemption from disclosing transactions with other members of the group.

#### **21 Parent and ultimate parent undertaking**

The company is controlled by its ultimate and only parent company, Commercial Corporate Services Limited , a company registered in England and Wales, which is controlled by its directors.

Consolidated accounts for Commercial Corporate Services Limited can be found at Commercial House, Old Station Drive, Leckhampton, Cheltenham, GL53 0DL.

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.