

REGISTERED NUMBER: 02129321 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 October 2022
for
Mount Trading Company Limited

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COMPANIES HOUSE

Jerroms GCN Limited
West Point, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
B62 8DY

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for the Year Ended 31 October 2022

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Mount Trading Company Limited

Company Information
for the Year Ended 31 October 2022

DIRECTORS:

M T Cap
K M Cap
J M Evans
D W Roberts
A D Griffiths
P J Barkley
G L Bottomley

SECRETARY:

K M Cap

REGISTERED OFFICE:

West Point, Second Floor,
Mucklow Office Park
Mucklow Hill
Halesowen
West Midlands
B62 8DY

REGISTERED NUMBER:

02129321 (England and Wales)

AUDITORS:

Jerroms GCN Limited
West Point, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
B62 8DY

BANKERS:

Lloyds Bank Plc
City Office Branch
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Mount Trading Company Limited (Registered number: 02129321)

Group Strategic Report
for the Year Ended 31 October 2022

The directors present their strategic report of the company and the group for the year ended 31 October 2022.

REVIEW OF BUSINESS

The directors consider the key performance indicator of the company to be turnover and profit before tax. The directors report a decrease in turnover levels to £8,670,038 (2021 : £8,741,024) and net profit before tax of £344,135 (2021 : £502,488).

PRINCIPAL RISKS AND UNCERTAINTIES

The group does not actively use financial instruments as part of its financial risk management and during the year the group has been exposed to risks of supplier price increases, credit risk, liquidity risk and cash flow risk. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M T Cap', is written over the signature line.

M T Cap - Director

28 June 2023

Mount Trading Company Limited (Registered number: 02129321)

Report of the Directors
for the Year Ended 31 October 2022

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

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary shares	£1 shares	(100 shares waived)	£1,250.00	- 31 March 2022
Ordinary 'A' shares	£1 shares		£200.00	- 31 March 2022
			£280.00	- 30 September 2022

DIRECTORS

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

M T Cap
K M Cap
J M Evans
D W Roberts
A D Griffiths
P J Barkley
G L Bottomley

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Mount Trading Company Limited (Registered number: 02129321)

Report of the Directors
for the Year Ended 31 October 2022

AUDITORS

The auditors, Jerroms GCN Limited, 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 be 'M T Cap', written over a horizontal line.

M T Cap - Director

28 June 2023

Report of the Independent Auditors to the Members of
Mount Trading Company Limited

Opinion

We have audited the financial statements of Mount Trading Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 October 2022 and of the group's 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 group 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 group's and the parent 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 Group 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 Group 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 Group 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
Mount Trading Company Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Mount Trading Company 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.

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

Based on our understanding of the company and the industry in which it operates, we identified that principal risks of non-compliance with laws and regulations related to breaches of the Sale of Goods Act 1979 and we considered the extent to which non-compliance might have a material effect on the financial statements. Additionally, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks related to posting journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation and testing of the operating effectiveness of management's entity level controls designed to prevent and detect irregularities;
- Performing testing on month-end adjustments;
- Incorporating unpredictability into the nature, timing and/or extent of our testing;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted by infrequent users or senior management or posted with descriptions indicating a higher level of risk.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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.



Alan Edward Jones FCCA (Senior Statutory Auditor)
for and on behalf of Jerroms GCN Limited
West Point, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
B62 8DY

28 June 2023

Mount Trading Company Limited (Registered number: 02129321)

Consolidated
Income Statement
for the Year Ended 31 October 2022

	Notes	2022 £	2021 £
REVENUE		8,722,755	8,741,024
Cost of sales		<u>(5,672,128)</u>	<u>(5,654,311)</u>
GROSS PROFIT		3,050,627	3,086,713
Administrative expenses		<u>(2,694,835)</u>	<u>(2,570,356)</u>
		355,792	516,357
Other operating income		<u>-</u>	<u>11,978</u>
OPERATING PROFIT	4	355,792	528,335
Interest payable and similar expenses	5	<u>(36,072)</u>	<u>(25,847)</u>
PROFIT BEFORE TAXATION		319,720	502,488
Tax on profit	6	<u>(76,894)</u>	<u>(91,277)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>242,826</u>	<u>411,211</u>
Profit attributable to: Owners of the parent		<u>242,826</u>	<u>411,211</u>

The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

Consolidated
Other Comprehensive Income
for the Year Ended 31 October 2022

Notes	2022 £	2021 £
PROFIT FOR THE YEAR	242,826	411,211
OTHER COMPREHENSIVE INCOME		
Revaluation reserve movement	140,000	-
Income tax relating to other comprehensive income	(46,595)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	93,405	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>336,231</u>	<u>411,211</u>
Total comprehensive income attributable to: Owners of the parent	<u>336,231</u>	<u>411,211</u>

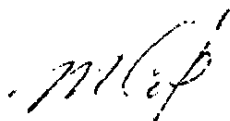
The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

Consolidated Balance Sheet
31 October 2022

	Notes	2022	2021
		£	£
FIXED ASSETS			
Intangible assets	9	1,575,592	1,481,488
Property, plant and equipment	10	2,224,762	2,114,944
Investments	11	-	-
		3,800,354	3,596,432
CURRENT ASSETS			
Inventories	12	2,078,305	1,906,467
Debtors	13	1,706,631	1,690,451
Cash in hand		7,252	7,044
		3,792,188	3,603,962
CREDITORS			
Amounts falling due within one year	14	2,278,684	2,110,641
NET CURRENT ASSETS		1,513,504	1,493,321
TOTAL ASSETS LESS CURRENT LIABILITIES		5,313,858	5,089,753
CREDITORS			
Amounts falling due after more than one year	15	(584,396)	(685,947)
PROVISIONS FOR LIABILITIES	20	(159,349)	(114,424)
NET ASSETS		4,570,113	4,289,382
CAPITAL AND RESERVES			
Called up share capital	21	206	206
Share premium	22	214,994	214,994
Revaluation reserve	22	249,940	156,535
Retained earnings	22	4,104,973	3,917,647
SHAREHOLDERS' FUNDS		4,570,113	4,289,382

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



M T Cap - Director

The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

Company Balance Sheet
31 October 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	9	1,338,425	1,481,488
Property, plant and equipment	10	2,212,549	2,114,944
Investments	11	300,000	-
		3,850,974	3,596,432
CURRENT ASSETS			
Inventories	12	1,953,472	1,906,467
Debtors	13	1,693,294	1,690,451
Cash in hand		7,252	7,044
		3,654,018	3,603,962
CREDITORS			
Amounts falling due within one year	14	2,221,804	2,110,642
NET CURRENT ASSETS		1,432,214	1,493,320
TOTAL ASSETS LESS CURRENT LIABILITIES		5,283,188	5,089,752
CREDITORS			
Amounts falling due after more than one year	15	(550,229)	(685,947)
PROVISIONS FOR LIABILITIES	20	(157,029)	(114,424)
NET ASSETS		4,575,930	4,289,381
CAPITAL AND RESERVES			
Called up share capital	21	206	206
Share premium	22	214,994	214,994
Revaluation reserve	22	249,940	156,535
Retained earnings	22	4,110,790	3,917,646
SHAREHOLDERS' FUNDS		4,575,930	4,289,381
Company's profit for the financial year		248,644	411,210

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



M T Cap - Director

The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

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

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 November 2020	106	3,603,436	214,994	156,535	3,975,071
Changes in equity					
Issue of share capital	100	-	-	-	100
Dividends	-	(97,000)	-	-	(97,000)
Total comprehensive income	-	411,211	-	-	411,211
Balance at 31 October 2021	<u>206</u>	<u>3,917,647</u>	<u>214,994</u>	<u>156,535</u>	<u>4,289,382</u>
Changes in equity					
Dividends	-	(55,500)	-	-	(55,500)
Total comprehensive income	-	242,826	-	93,405	336,231
Balance at 31 October 2022	<u>206</u>	<u>4,104,973</u>	<u>214,994</u>	<u>249,940</u>	<u>4,570,113</u>

The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

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

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 November 2020	106	3,603,436	214,994	156,535	3,975,071
Changes in equity					
Issue of share capital	100	-	-	-	100
Dividends	-	(97,000)	-	-	(97,000)
Total comprehensive income	-	411,210	-	-	411,210
Balance at 31 October 2021	206	3,917,646	214,994	156,535	4,289,381
Changes in equity					
Dividends	-	(55,500)	-	-	(55,500)
Total comprehensive income	-	248,644	-	93,405	342,049
Balance at 31 October 2022	206	4,110,790	214,994	249,940	4,575,930

The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

Consolidated Cash Flow Statement
for the Year Ended 31 October 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	517,897	258,360
Interest paid		(31,915)	(6,477)
Interest element of hire purchase payments paid		(4,157)	(6,908)
Tax paid		(87,308)	(41,057)
Net cash from operating activities		<u>394,517</u>	<u>203,918</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		25,257	-
Purchase of tangible fixed assets		(41,100)	(734,931)
Purchase of fixed asset investments		(300,000)	-
Sale of tangible fixed assets		29,741	4,501
Cash arising on acquisition		90,283	-
Net cash from investing activities		<u>(195,819)</u>	<u>(730,430)</u>
Cash flows from financing activities			
New loans in year		-	300,000
Loan repayments in year		(99,264)	(83,706)
Capital repayments in year		(48,171)	(60,165)
Amount introduced by directors		154,979	-
Amount withdrawn by directors		-	(116,152)
Share issue		-	100
Government grants		-	11,978
Equity dividends paid		(55,500)	(97,000)
Net cash from financing activities		<u>(47,956)</u>	<u>(44,945)</u>
Increase/(decrease) in cash and cash equivalents		<u>150,742</u>	<u>(571,457)</u>
Cash and cash equivalents at beginning of year	2	(932,942)	(361,485)
Cash and cash equivalents at end of year	2	<u><u>(782,200)</u></u>	<u><u>(932,942)</u></u>

The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

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

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

	2022	2021
	£	£
Profit before taxation	319,720	502,488
Depreciation charges	211,309	216,705
(Profit)/loss on disposal of fixed assets	(459)	131
Impairment of fixed assets	-	4,149
Government grants	-	(11,978)
Finance costs	36,072	25,847
	<hr/>	<hr/>
Increase in inventories	566,642	737,342
Increase in trade and other debtors	(107,776)	(396,362)
Increase in trade and other creditors	(87,864)	(165,315)
	<hr/>	<hr/>
Cash generated from operations	517,897	258,360
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 October 2022

	31.10.22	1.11.21
	£	£
Cash and cash equivalents	7,252	7,044
Bank overdrafts	(789,452)	(939,986)
	<hr/>	<hr/>
	(782,200)	(932,942)
	<hr/>	<hr/>

Year ended 31 October 2021

	31.10.21	1.11.20
	£	£
Cash and cash equivalents	7,044	1,145
Bank overdrafts	(939,986)	(362,630)
	<hr/>	<hr/>
	(932,942)	(361,485)
	<hr/>	<hr/>

The notes on pages 17 to 30 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

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

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.21 £	Cash flow £	At 31.10.22 £
Net cash			
Cash at bank and in hand	7,044	208	7,252
Bank overdrafts	(939,986)	150,534	(789,452)
	<u>(932,942)</u>	<u>150,742</u>	<u>(782,200)</u>
Debt			
Finance leases	(88,486)	48,171	(40,315)
Debts falling due within 1 year	(99,864)	(10,000)	(109,864)
Debts falling due after 1 year	(628,559)	59,264	(569,295)
	<u>(816,909)</u>	<u>97,435</u>	<u>(719,474)</u>
Total	<u>(1,749,851)</u>	<u>248,177</u>	<u>(1,501,674)</u>

The notes on pages 17 to 30 form part of these financial statements

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

1. STATUTORY INFORMATION

Mount Trading Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

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

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

Freehold property	- 0%
Plant and machinery	- 15% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 10% on reducing balance

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

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

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,426,212	1,484,625
Social security costs	130,710	136,369
Other pension costs	31,266	31,039
	<u>1,588,188</u>	<u>1,652,033</u>

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

	2022	2021
Sales and Distribution	45	47
Administration	6	6
Management	10	10
	<u>61</u>	<u>63</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 5 (2021 - NIL).

	2022	2021
	£	£
Directors' remuneration	165,838	191,018
Directors' pension contributions to money purchase schemes	<u>1,895</u>	<u>2,717</u>

4. OPERATING PROFIT

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

	2022	2021
	£	£
Depreciation - owned assets	54,228	37,117
Depreciation - assets on hire purchase contracts	6,960	36,523
(Profit)/loss on disposal of fixed assets	(459)	131
Goodwill amortisation	<u>151,241</u>	<u>143,063</u>

Mount Trading Company Limited (Registered number: 02129321)

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

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	9,401	6,477
Bank loan interest	22,514	12,462
Hire purchase	4,157	6,908
	<u>36,072</u>	<u>25,847</u>

6. 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	83,612	91,079
Previous year adjustment	(1,402)	(13,445)
Total current tax	82,210	77,634
Deferred tax	(5,316)	13,643
Tax on profit	<u>76,894</u>	<u>91,277</u>

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>319,720</u>	<u>502,488</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	60,747	95,473
Effects of:		
Expenses not deductible for tax purposes	388	25
Depreciation in excess of capital allowances	33,902	10,210
Research & Development enhanced deduction	(11,425)	(14,629)
Deferred tax movement	(5,316)	13,643
Over provision in prior year	(1,402)	(13,445)
Total tax charge	<u>76,894</u>	<u>91,277</u>

Tax effects relating to effects of other comprehensive income

	2022	
	Gross	Net
	£	£
Revaluation reserve movement	<u>140,000</u>	<u>93,405</u>
	<u>(46,595)</u>	

Mount Trading Company Limited (Registered number: 02129321)

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

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of £1 each		
Interim	<u>55,500</u>	<u>97,000</u>

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 November 2021	2,876,262
Additions	<u>245,345</u>
At 31 October 2022	<u>3,121,607</u>
AMORTISATION	
At 1 November 2021	1,394,774
Amortisation for year	<u>151,241</u>
At 31 October 2022	<u>1,546,015</u>
NET BOOK VALUE	
At 31 October 2022	<u>1,575,592</u>
At 31 October 2021	<u>1,481,488</u>

Company

	Goodwill £
COST	
At 1 November 2021 and 31 October 2022	<u>2,876,262</u>
AMORTISATION	
At 1 November 2021	1,394,774
Amortisation for year	<u>143,063</u>
At 31 October 2022	<u>1,537,837</u>
NET BOOK VALUE	
At 31 October 2022	<u>1,338,425</u>
At 31 October 2021	<u>1,481,488</u>

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

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 November 2021	1,762,813	433,664	113,376
Additions	14,872	7,105	6,878
Disposals	-	-	-
Revaluations	140,000	-	-
Acquired on acquisition	-	23,482	23,615
At 31 October 2022	1,917,685	464,251	143,869
DEPRECIATION			
At 1 November 2021	-	321,170	42,755
Charge for year	-	17,680	7,853
Eliminated on disposal	-	-	-
Acquired on acquisition	-	19,500	19,066
At 31 October 2022	-	358,350	69,674
NET BOOK VALUE			
At 31 October 2022	1,917,685	105,901	74,195
At 31 October 2021	1,762,813	112,494	70,621
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 November 2021	326,244	56,193	2,692,290
Additions	12,245	-	41,100
Disposals	(104,013)	-	(104,013)
Revaluations	-	-	140,000
Acquired on acquisition	64,088	-	111,185
At 31 October 2022	298,564	56,193	2,880,562
DEPRECIATION			
At 1 November 2021	184,984	28,437	577,346
Charge for year	32,874	2,781	61,188
Eliminated on disposal	(74,731)	-	(74,731)
Acquired on acquisition	53,431	-	91,997
At 31 October 2022	196,558	31,218	655,800
NET BOOK VALUE			
At 31 October 2022	102,006	24,975	2,224,762
At 31 October 2021	141,260	27,756	2,114,944

Mount Trading Company Limited (Registered number: 02129321)

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

10. PROPERTY, PLANT AND EQUIPMENT - continued

Group

Cost or valuation at 31 October 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2011	235,354	-	-
Valuation in 2012	(42,101)	-	-
Valuation in 2022	140,000	-	-
Cost	1,584,432	464,251	143,869
	<u>1,917,685</u>	<u>464,251</u>	<u>143,869</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2011	-	-	235,354
Valuation in 2012	-	-	(42,101)
Valuation in 2022	-	-	140,000
Cost	298,564	56,193	2,547,309
	<u>298,564</u>	<u>56,193</u>	<u>2,880,562</u>

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

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 November 2021	34,998	181,994	216,992
Transfer to ownership	-	(45,500)	(45,500)
At 31 October 2022	<u>34,998</u>	<u>136,494</u>	<u>171,492</u>
DEPRECIATION			
At 1 November 2021	3,131	85,155	88,286
Charge for year	4,780	2,180	6,960
Transfer to ownership	-	(24,384)	(24,384)
At 31 October 2022	<u>7,911</u>	<u>62,951</u>	<u>70,862</u>
NET BOOK VALUE			
At 31 October 2022	<u>27,087</u>	<u>73,543</u>	<u>100,630</u>
At 31 October 2021	<u>31,867</u>	<u>96,839</u>	<u>128,706</u>

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

10. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 November 2021	1,762,813	433,664	113,376
Additions	14,872	5,696	6,878
Disposals	-	-	-
Revaluations	140,000	-	-
At 31 October 2022	<u>1,917,685</u>	<u>439,360</u>	<u>120,254</u>
DEPRECIATION			
At 1 November 2021	-	321,170	42,755
Charge for year	-	17,187	7,398
Eliminated on disposal	-	-	-
At 31 October 2022	<u>-</u>	<u>338,357</u>	<u>50,153</u>
NET BOOK VALUE			
At 31 October 2022	<u>1,917,685</u>	<u>101,003</u>	<u>70,101</u>
At 31 October 2021	<u>1,762,813</u>	<u>112,494</u>	<u>70,621</u>
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 November 2021	326,244	56,193	2,692,290
Additions	12,245	-	39,691
Disposals	(67,505)	-	(67,505)
Revaluations	-	-	140,000
At 31 October 2022	<u>270,984</u>	<u>56,193</u>	<u>2,804,476</u>
DEPRECIATION			
At 1 November 2021	184,984	28,437	577,346
Charge for year	30,209	2,781	57,575
Eliminated on disposal	(42,994)	-	(42,994)
At 31 October 2022	<u>172,199</u>	<u>31,218</u>	<u>591,927</u>
NET BOOK VALUE			
At 31 October 2022	<u>98,785</u>	<u>24,975</u>	<u>2,212,549</u>
At 31 October 2021	<u>141,260</u>	<u>27,756</u>	<u>2,114,944</u>

Mount Trading Company Limited (Registered number: 02129321)

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

10. PROPERTY, PLANT AND EQUIPMENT - continued

Company

Cost or valuation at 31 October 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2011	235,354	-	-
Valuation in 2012	(42,101)	-	-
Valuation in 2022	140,000	-	-
Cost	1,584,432	439,360	120,254
	<u>1,917,685</u>	<u>439,360</u>	<u>120,254</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2011	-	-	235,354
Valuation in 2012	-	-	(42,101)
Valuation in 2022	-	-	140,000
Cost	270,984	56,193	2,471,223
	<u>270,984</u>	<u>56,193</u>	<u>2,804,476</u>

If freehold property had not been revalued they would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>1,584,432</u>	<u>1,569,560</u>

Freehold property was valued on an open market basis on 1 April 2021 by Mason Owen.

Mount Trading Company Limited (Registered number: 02129321)

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

10. PROPERTY, PLANT AND EQUIPMENT - continued

Company

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

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 November 2021	34,998	181,994	216,992
Transfer to ownership	-	(45,500)	(45,500)
At 31 October 2022	34,998	136,494	171,492
DEPRECIATION			
At 1 November 2021	3,131	85,155	88,286
Charge for year	4,780	2,180	6,960
Transfer to ownership	-	(24,384)	(24,384)
At 31 October 2022	7,911	62,951	70,862
NET BOOK VALUE			
At 31 October 2022	27,087	73,543	100,630
At 31 October 2021	31,867	96,839	128,706

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
Additions	300,000
At 31 October 2022	300,000
NET BOOK VALUE	
At 31 October 2022	300,000

On 25 February 2022, the company acquired the entire share capital of Morgans Machinery Limited, a company registered in England and Wales (registered number : 02629112).

Mount Trading Company Limited has agreed to guarantee the liabilities of its subsidiary Morgans Machinery Limited (registered number:02629112), thereby allowing them to take exemption from audit under Section 479A of the Companies Act 2006.

12. STOCKS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Finished goods	2,078,305	1,906,467	1,953,472	1,906,467

Mount Trading Company Limited (Registered number: 02129321)

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

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	699,173	696,355	678,743	696,355
Amounts owed by participating interests	976,440	859,748	984,777	859,748
Other debtors	500	-	500	-
Directors' accounts	-	112,483	-	112,483
Prepayments	30,518	21,865	29,274	21,865
	<u>1,706,631</u>	<u>1,690,451</u>	<u>1,693,294</u>	<u>1,690,451</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 16)	899,316	1,039,850	881,576	1,039,850
Hire purchase contracts (see note 17)	25,214	31,098	25,214	31,098
Trade creditors	911,324	715,315	880,551	715,316
Amounts owed to participating interests	45,057	50,290	45,057	50,290
Corporation tax	107,660	90,985	105,866	90,985
Social security and other taxes	178,439	113,093	175,845	113,093
Other creditors	7,038	7,539	6,359	7,539
Directors' accounts	47,765	-	47,765	-
Accruals and deferred income	56,871	62,471	53,571	62,471
	<u>2,278,684</u>	<u>2,110,641</u>	<u>2,221,804</u>	<u>2,110,642</u>

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 16)	569,295	628,559	535,128	628,559
Hire purchase contracts (see note 17)	15,101	57,388	15,101	57,388
	<u>584,396</u>	<u>685,947</u>	<u>550,229</u>	<u>685,947</u>

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

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	789,452	939,986	781,712	939,986
Bank loans	109,864	99,864	99,864	99,864
	<u>899,316</u>	<u>1,039,850</u>	<u>881,576</u>	<u>1,039,850</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>134,728</u>	<u>124,728</u>	<u>124,728</u>	<u>124,728</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>248,342</u>	<u>269,175</u>	<u>224,175</u>	<u>269,175</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>186,225</u>	<u>234,656</u>	<u>186,225</u>	<u>234,656</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	25,214	31,098
Between one and five years	15,101	57,388
	<u>40,315</u>	<u>88,486</u>

Company

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	25,214	31,098
Between one and five years	15,101	57,388
	<u>40,315</u>	<u>88,486</u>

Mount Trading Company Limited (Registered number: 02129321)

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

18. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	2022	2021
	£	£
Bank overdrafts	781,712	939,986

19. FINANCIAL INSTRUMENTS

Group	Note	2022	2021
		£	£
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	13	699,173	696,355
Amounts owed by participating interests	13	976,440	859,748
		<u>1,675,613</u>	<u>1,556,103</u>

Financial liabilities measured at amortised cost:

Bank loans and overdrafts	14 & 15	1,468,611	1,668,409
Trade creditors	14 & 15	911,324	715,316
Amounts owed to participating interests	14 & 15	45,057	50,290
Other creditors	14 & 15	7,038	7,539
		<u>2,432,030</u>	<u>2,441,554</u>

Company	Note	2022	2021
		£	£
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	13	678,743	696,355
Amounts owed by participating interests	13	984,777	859,748
		<u>1,663,520</u>	<u>1,556,103</u>

Financial liabilities measured at amortised cost:

Bank loans and overdrafts	14 & 15	1,416,704	1,668,409
Trade creditors	14 & 15	880,551	715,316
Amounts owed to participating interests	14 & 15	45,057	50,290
Other creditors	14 & 15	6,359	7,539
		<u>2,348,671</u>	<u>2,441,554</u>

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax	<u>159,349</u>	<u>114,424</u>	<u>157,029</u>	<u>114,424</u>

Mount Trading Company Limited (Registered number: 02129321)

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

20. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 November 2021	114,424
Provided during year	41,279
Arising on acquisition	3,646
	<hr/>
Balance at 31 October 2022	159,349
	<hr/>

Company

	Deferred tax £
Balance at 1 November 2021	114,424
Movement on deferred tax	42,605
	<hr/>
Balance at 31 October 2022	157,029
	<hr/>

A deferred tax provision has arisen as a result of accelerated capital allowances and on revaluation of freehold property

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
106	Ordinary	£1	106	106
100	Ordinary A	£1	100	100
			<hr/>	<hr/>
			206	206
			<hr/>	<hr/>

22. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 November 2021	3,917,647	214,994	156,535	4,289,176
Profit for the year	242,826			242,826
Dividends	(55,500)			(55,500)
Property revaluation	-	-	140,000	140,000
Deferred tax movement	-	-	(46,595)	(46,595)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2022	4,104,973	214,994	249,940	4,569,907
	<hr/>	<hr/>	<hr/>	<hr/>

Mount Trading Company Limited (Registered number: 02129321)

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

22. RESERVES - continued

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 November 2021	3,917,646	214,994	156,535	4,289,175
Profit for the year	248,644			248,644
Dividends	(55,500)			(55,500)
Property revaluation	-	-	140,000	140,000
Deferred tax movement	-	-	(46,595)	(46,595)
At 31 October 2022	<u>4,110,790</u>	<u>214,994</u>	<u>249,940</u>	<u>4,575,724</u>

23. AUDITOR LIABILITY LIMITATION AGREEMENT

The company has, by resolution, waived the need for annual approval of the auditors' limited liability, which has been set at £2,000,000 within the letter of engagement dated 21 June 2023. This approval has been confirmed in the letter of representation dated 21 June 2023.