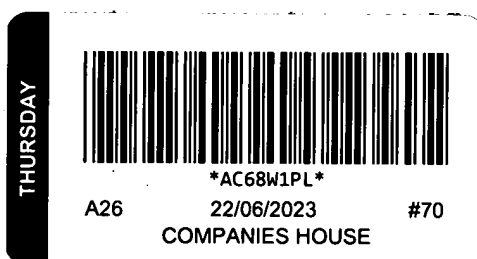


Registration number: 02860574

# Barron Wood Distribution Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2022



## **Barron Wood Distribution Limited**

### **Contents**

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Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 9
Profit and Loss Account and Statement of Retained Earnings	10
Balance Sheet	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 to 29

## **Barron Wood Distribution Limited**

### **Company Information**

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**Directors**

Mr J M Fairbrother  
Mr D T Fairbrother  
Mrs J Fairbrother  
Mrs V Fairbrother  
Mr D J Lyon  
Mr J S McDougall  
Mr A M Vickers  
Mrs L S Wright

**Company secretary** Mr J M Fairbrother

**Registered office**

Brook Lane  
Much Hoole  
Preston  
Lancashire  
PR4 5JB

**Auditors**

Haleys Business Advisers Limited  
Thomas House  
Meadowcroft Business Park  
Pope Lane  
Whitestake  
Lancashire  
PR4 4AZ

**Registered number 02860574 (England and Wales)**

## **Barron Wood Distribution Limited**

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

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

#### **Principal activity**

The principal activity of the company is that of haulage and distribution services.

#### **Fair review of the business**

The directors are pleased to report another successful result for the company during the year to 31 October 2022.

Turnover of the company increased by 8.4% to £92,855,187 (2021: £85,674,085) during the year with profit before taxation increasing by 23.8% to £10,146,314 (2021: £8,194,768).

The liquidity of the business remains positive and has enabled the directors to approve the payment of dividends amounting to £2,207,137. The business continues to operate without the need for bank borrowing facilities.

The company continues to look for new opportunities to develop the trade of the business and continue to expand and diversify the customer base.

The directors regard this, along with the loyal and hard working staff of the company and the strengthening of the senior management team in the year as being key to the company's success in the medium to long term.

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

##### **Competition:**

The company provides a bespoke service and whilst there is a competitive risk from other companies, the directors believe that the quality of their service and reputation in the marketplace counteract this risk.

##### **Reduction in Business Activity:**


The company, like any other business, is exposed to a risk of downturn in its particular sector. The directors pro-actively monitor performance on an ongoing basis and implement alternative strategies as necessary.

The directors consider their hands on involvement in running the business helps mitigate this exposure.

##### **Future developments:**

The directors have committed to expanding the company's operations in the UK and Europe in the medium to long term.

Approved by the Board on 20 June 2023 and signed on its behalf by:

  
.....  
Mr J M Fairbrother  
Company secretary and director

**Barron Wood Distribution Limited****Directors' Report for the Year Ended 31 October 2022**

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

**Directors of the company**

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

Mr J M Fairbrother - Company secretary and director

Mr D T Fairbrother

Mrs J Fairbrother

Mrs V Fairbrother

Mr D J Lyon

Mr J S McDougall

Mr A M Vickers

Mrs L S Wright

**Dividends**

Particulars of dividends paid are detailed in the notes to the financial statements.

**Financial instruments**

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

**Barron Wood Distribution Limited**

**Directors' Report for the Year Ended 31 October 2022 (continued)**

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***Price risk, credit risk, liquidity risk and cash flow risk***

**Credit risk:**

The company's principle financial asset is trade debtors and the company's credit risk is primarily attributed to its trade debtors. The amounts presented in the balance sheet are net of all provisions for doubtful debts.

The company's objective is to minimise the level of doubtful debts and its policy is to deal with what it considers to be credit worthy customers and credit control mechanisms are in place to achieve this. The company's exposure is also spread over a large number of customers.

**Liquidity and cashflow risk:**

The company has continued to improve its working capital and liquidity. The company has no borrowings.

**Currency risk:**

The company's principal foreign currency exposures arise from trading with overseas companies. The company manages this through careful monitoring of the foreign exchange rates.

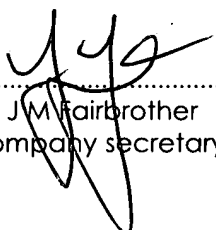
**Engagement with suppliers, customers and other relationships**

Maintaining good relationships with our supplier partners remains critical to our own business performance. Our supplier partners provide us with the tools and services we need to deliver for our customers and our supplier partners rose successfully to the challenge caused by Covid-19.

**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 step that she 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 company's auditors are aware of that information.

Approved and authorised by the Board on 20 June 2023 and signed on its behalf by:

  
.....  
Mr J M Fairbrother  
Company secretary and director

## **Barron Wood Distribution Limited**

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Barron Wood Distribution Limited**

### **Independent Auditor's Report to the Members of Barron Wood Distribution Limited**

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#### **Opinion**

We have audited the financial statements of Barron Wood Distribution Limited (the 'company') for the year ended 31 October 2022, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 director's with respect to going concern are described in the relevant sections of this report.



## **Barron Wood Distribution Limited**

### **Independent Auditor's Report to the Members of Barron Wood Distribution Limited (continued)**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information in 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance;
- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;  
the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
  - Discussing among the engagement team including significant component audit teams and involving relevant internal specialists, including tax, valuations, pensions, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
  - Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies and Environmental laws and regulations pertaining to this industry.

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **Barron Wood Distribution Limited**

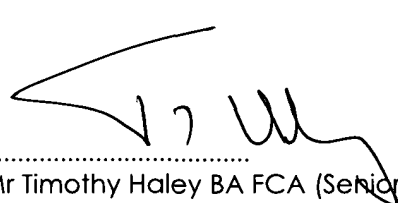
### **Independent Auditor's Report to the Members of Barron Wood Distribution Limited (continued)**

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

#### **Use of our report**

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



.....  
Mr Timothy Haley BA FCA (Senior Statutory Auditor)  
For and on behalf of Haleys Business Advisers Limited,  
Statutory Auditors  
Thomas House  
Meadowcroft Business Park  
Pope Lane  
Whitestake  
Lancashire  
PR4 4AZ

20 June 2023

**Barron Wood Distribution Limited****Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 October 2022**


	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
Turnover	3	92,855,187	85,674,085
Cost of sales		<u>(75,690,657)</u>	<u>(71,297,659)</u>
Gross profit		17,164,530	14,376,426
Administrative expenses		(7,076,100)	(6,235,914)
Other operating income	4	<u>35,776</u>	<u>71,929</u>
Operating profit	5	<u>10,124,206</u>	<u>8,212,441</u>
Other interest receivable and similar income	7	28,723	1,119
Interest payable and similar charges	8	<u>(6,615)</u>	<u>(18,792)</u>
		<u>22,108</u>	<u>(17,673)</u>
Profit before tax		10,146,314	8,194,768
Taxation	12	<u>(1,954,539)</u>	<u>(1,561,069)</u>
Profit for the financial year		8,191,775	6,633,699
Retained earnings brought forward		17,157,050	12,651,114
Dividends paid		<u>(2,207,137)</u>	<u>(2,127,763)</u>
Retained earnings carried forward		<u>23,141,688</u>	<u>17,157,050</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

**Barron Wood Distribution Limited**  
**(Registration number: 02860574)**  
**Balance Sheet as at 31 October 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Fixed assets</b>			
Tangible assets	13	3,934,920	2,559,106
<b>Current assets</b>			
Debtors	14	16,280,218	21,795,759
Cash at bank and in hand	15	<u>18,511,171</u>	<u>10,799,707</u>
		34,791,389	32,595,466
<b>Creditors: Amounts falling due within one year</b>	16	<u>(15,377,589)</u>	<u>(17,882,104)</u>
<b>Net current assets</b>		<u>19,413,800</u>	<u>14,713,362</u>
<b>Total assets less current liabilities</b>		23,348,720	17,272,468
<b>Provisions for liabilities</b>	17	<u>(105,912)</u>	<u>(14,298)</u>
<b>Net assets</b>		<u>23,242,808</u>	<u>17,258,170</u>
<b>Capital and reserves</b>			
Called up share capital	19	101,008	101,008
Share premium reserve	20	112	112
Retained earnings	20	<u>23,141,688</u>	<u>17,157,050</u>
Shareholders' funds		<u>23,242,808</u>	<u>17,258,170</u>

Approved and authorised by the Board on 20 June 2023 and signed on its behalf by:

  
 .....  
 Mr J M Fairbrother  
 Company secretary and director

**Barron Wood Distribution Limited****Statement of Changes in Equity for the Year Ended 31 October 2022**

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	<b>Share capital</b> <b>£</b>	<b>Share premium</b> <b>£</b>	<b>Profit and loss account</b> <b>£</b>	<b>Total</b> <b>£</b>
At 1 November 2021	101,008	112	17,157,050	17,258,170
Profit for the year	-	-	8,191,775	8,191,775
Dividends	-	-	(2,207,137)	(2,207,137)
At 31 October 2022	<u>101,008</u>	<u>112</u>	<u>23,141,688</u>	<u>23,242,808</u>
	<b>Share capital</b> <b>£</b>	<b>Share premium</b> <b>£</b>	<b>Profit and loss account</b> <b>£</b>	<b>Total</b> <b>£</b>
At 1 November 2020	101,008	112	12,651,114	12,752,234
Profit for the year	-	-	6,633,699	6,633,699
Dividends	-	-	(2,127,763)	(2,127,763)
At 31 October 2021	<u>101,008</u>	<u>112</u>	<u>17,157,050</u>	<u>17,258,170</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

**Barron Wood Distribution Limited****Statement of Cash Flows for the Year Ended 31 October 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		8,191,775	6,633,699
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	44,385	52,466
Loss on disposal of tangible assets		-	3,173
Finance income	7	(28,723)	(1,119)
Finance costs	8	6,615	4,094
Corporation tax expense	12	1,954,539	1,561,069
		<u>10,168,591</u>	<u>8,253,382</u>
Working capital adjustments			
Decrease/(increase) in trade debtors	14	5,515,541	(8,641,684)
(Decrease)/increase in trade creditors	16	(2,383,054)	3,798,356
Cash generated from operations		13,301,078	3,410,054
Corporation tax paid	12	(1,984,386)	(1,229,419)
Net cash flow from operating activities		<u>11,316,692</u>	<u>2,180,635</u>
<b>Cash flows from investing activities</b>			
Interest received	7	28,723	1,119
Acquisitions of tangible assets		(1,420,199)	(115,465)
Proceeds from sale of tangible assets		-	(3,173)
Net cash flows from investing activities		<u>(1,391,476)</u>	<u>(117,519)</u>
<b>Cash flows from financing activities</b>			
Interest paid	8	(6,615)	(4,094)
Dividends paid		(2,207,137)	(2,127,763)
Net cash flows from financing activities		<u>(2,213,752)</u>	<u>(2,131,857)</u>
Net increase/(decrease) in cash and cash equivalents		7,711,464	(68,741)
Cash and cash equivalents at 1 November		<u>10,799,707</u>	<u>10,868,448</u>
Cash and cash equivalents at 31 October		<u>18,511,171</u>	<u>10,799,707</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

## **Barron Wood Distribution Limited**

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

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#### **1 General information**

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

The address of its registered office is:

Brook Lane  
Much Hoole  
Preston  
Lancashire  
PR4 5JB  
United Kingdom

These financial statements were authorised for issue by the Board on 20 June 2023.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

These financial statements 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.

##### **Basis of preparation**

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

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

##### **Going concern**

The financial statements have been prepared on a going concern basis.

##### **Revenue recognition**

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, this is on the date that the company's proof of delivery is signed by the customer and the customer is in receipt of their goods. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **Significant judgements and estimates**



## **2 Accounting policies (continued)**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Taxation**

The tax expense for the period 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 income 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.

### **Government grants**

The company recognises government grants on the accruals model under FRS102.

Grants that compensate the company for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

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

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

## **2 Accounting policies (continued)**

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	Not depreciated
Leasehold property improvements	20% Straight line
Office equipment	25% Reducing balance
Motor vehicles	25% Reducing balance
Computer equipment	33% 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.

### **Leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the lease agreement expires.

Rents receivable on the freehold investment property under the terms of the operating lease are included in the profit and loss account on a receivable basis.

### **Pension costs and other post-retirement benefits**

The Company operates defined contribution pension plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

## **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 statement of financial position 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 liability simultaneously.

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

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2 Accounting policies (continued)****Judgements**

No significant judgements have had to be made by management and directors in preparing these financial statements.

**Key sources of estimation uncertainty****(a) Tangible fixed assets**

Tangible fixed assets, other than investment properties, 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. The carrying amount is £3,934,920 (2021 -£2,559,106).

**(b) Bad Debt**

The company reviews all trade debtors regularly and considers factors including ageing profile and historical experience to assess whether a provision is necessary. Any provision is charged to the profit and loss account in the year in which it is made.

**(c) Leases**

In categorising leases as finance leases or operating leases, management make judgements as to whether the significant risks and rewards of ownership have transferred to company as lessee.

**3 Revenue**

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rendering of services	<u>92,855,187</u>	<u>85,674,085</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
UK	82,861,755	78,975,224
Europe	<u>9,993,432</u>	<u>6,698,861</u>
	<u>92,855,187</u>	<u>85,674,085</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)****4 Other operating income**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants	-	37,615
Rents receivable	35,776	34,314
	<u>35,776</u>	<u>71,929</u>

**5 Operating profit**

Arrived at after charging/(crediting)

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation expense	44,385	52,466
Loss on disposal of property, plant and equipment	-	3,173
	<u>-</u>	<u>3,173</u>

**6 Government grants**

During the year, the company received no governments grants relating to the Coronavirus Job Retention Scheme.

The amount of grants recognised in the financial statements was £Nil (2021 - £37,615).

**7 Other interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other finance income	10,358	1,119
Foreign exchange gains	18,365	-
	<u>28,723</u>	<u>1,119</u>

**8 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest expense on other finance liabilities	6,615	4,094
Foreign exchange losses	-	14,698
	<u>6,615</u>	<u>18,792</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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**9 Staff costs**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	5,115,920	4,531,228
Social security costs	562,287	465,654
Pension costs, defined contribution scheme	433,423	397,777
Other employee expense	45,970	30,908
	<u>6,157,600</u>	<u>5,425,567</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Key management	12	12
Administration and support	128	118
	<u>140</u>	<u>130</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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**10 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration	270,378	196,302
Contributions paid to money purchase schemes for 6 Directors	<u>71,622</u>	<u>48,560</u>
	<u><u>342,000</u></u>	<u><u>244,862</u></u>

**11 Auditors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>12,000</u>	<u>9,000</u>
<b>Other fees to auditors</b>		
Taxation compliance services	6,600	6,000
All other non-audit services	<u>25,403</u>	<u>21,265</u>
	<u><u>32,003</u></u>	<u><u>27,265</u></u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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**12 Taxation**

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

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Current taxation</b>		
UK corporation tax	1,862,925	1,554,913
<b>Deferred taxation</b>		
Arising from changes in tax rates and laws	<u>91,614</u>	<u>6,156</u>
Tax expense in the income statement	<u><u>1,954,539</u></u>	<u><u>1,561,069</u></u>

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

The differences are reconciled below:

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Profit before tax	<u>10,146,314</u>	<u>8,194,768</u>
Corporation tax at standard rate	1,927,800	1,557,006
Effect of expense not deductible in determining taxable profit (tax loss)	2,173	4,442
Deferred tax expense relating to changes in tax rates or laws	91,614	6,156
Tax decrease from effect of capital allowances and depreciation	<u>(67,048)</u>	<u>(6,535)</u>
Total tax charge	<u><u>1,954,539</u></u>	<u><u>1,561,069</u></u>



**Barron Wood Distribution Limited**

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

**13 Tangible assets**

	Freehold property £	Leasehold property improvements £	Computer equipment £	Motor vehicles and other assets £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 November 2021	2,446,413	26,730	814,633	98,590	392,884	3,779,250
Additions	1,281,740	-	14,144	123,490	825	1,420,199
At 31 October 2022	3,728,153	26,730	828,777	222,080	393,709	5,199,449
<b>Depreciation</b>						
At 1 November 2021	-	26,730	788,796	39,614	365,004	1,220,144
Charge for the year	-	-	16,802	19,889	7,694	44,385
At 31 October 2022	-	26,730	805,598	59,503	372,698	1,264,529
<b>Carrying amount</b>						
At 31 October 2022	3,728,153	-	23,179	162,577	21,011	3,934,920
At 31 October 2021	2,446,413	-	25,837	58,976	27,880	2,559,106

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)****13 Tangible assets (continued)****Freehold property**

FRS 102 requires depreciation to be provided on freehold property. The directors' opinion is that the annual depreciation charge and accumulated depreciation are not material due to a long estimated remaining useful life and high residual value. Depreciation is not charged on the freehold property and an impairment review is undertaken at the end of each reporting period.

**14 Debtors**

	<b>2022</b>	<b>2021</b>
<b>Current</b>	<b>£</b>	<b>£</b>
Trade debtors	15,033,766	20,491,953
Other debtors	50,856	23,243
Prepayments	1,195,596	1,280,563
	<u>16,280,218</u>	<u>21,795,759</u>

**15 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank	<u>18,511,171</u>	<u>10,799,707</u>

**16 Creditors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade creditors	10,681,914	12,852,026
Other taxation and social security	594,963	698,598
Other creditors	701,159	554,705
Accruals and deferred income	2,429,410	2,685,171
Corporation tax	970,143	1,091,604
	<u>15,377,589</u>	<u>17,882,104</u>

**17 Deferred tax and other provisions**

	<b>Deferred tax</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 November 2021	14,298	14,298
Movement in accelerated capital allowances	<u>91,614</u>	<u>91,614</u>
At 31 October 2022	<u>105,912</u>	<u>105,912</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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**18 Pension and other schemes****Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £433,423 (2021 - £397,777).

All amounts were paid during the year.

**19 Share capital****Allotted, called up and fully paid shares**

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Preferred non voting of £1 each	100,008	100,008	100,008	100,008
A Ordinary voting of £0.01 each	51,003	510.03	51,003	510.03
B Ordinary voting of £0.01 each	49,003	490.03	49,003	490.03
C Ordinary voting of £0.01 each	1	0.01	1	0.01
D Ordinary voting of £0.01 each	1	0.01	1	0.01
	<u>200,016</u>	<u>101,008</u>	<u>200,016</u>	<u>101,008</u>

**Rights, preferences and restrictions**

Preferred shares have no right to vote, receive notice of or attend general meetings of the company. Preferred shares have no right to receive dividends unless agreed by the holders of A Ordinary shares and B Ordinary shares. Preferred shares have a preferred right to receive distributions and capital return of up to £25million. Preferred shares are not to be redeemed or liable to be redeemed.

Each Ordinary A,B, C and D share is entitled to one vote in any circumstances. Each shares is entitled pari passu to dividend payment or any other distribution. Each share is entitled pari passu to participate in a distribution of capital including any distribution arising from a winding up of the company. The shares are not redeemable nor are they liable to be redeemed.

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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**20 Reserves****Profit and loss account**

Profit and loss account represents accumulated profits for the current and prior periods. The balance is fully distributable.

**Share premium**

Amounts contained within the share premium account represent amounts paid over and above the par value of share capital.

**21 Obligations under leases and hire purchase contracts****Operating leases**

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	190,500	182,500
Later than one year and not later than five years	299,708	400,208
Later than five years	3,000	-
	<u>493,208</u>	<u>582,708</u>

Amounts included within commitments under operating leases due in more than one year but less than five years comprise rental commitments on property. The rent over the life of these agreements is naturally high as the company enters into lease agreements for periods of 5 years. The average lease commitment remaining at the balance sheet date was 1-2 years.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £182,500 (2021 - £131,172).

**Operating leases - lessor**

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	35,776	34,314
Later than one year and not later than five years	30,224	66,000
	<u>66,000</u>	<u>100,314</u>

Total contingent rents recognised as income in the period are £Nil (2021 - £Nil).

**Barron Wood Distribution Limited**

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

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**22 Related party transactions**

**Key management compensation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and other short term employee benefits	322,803	246,664
Post-employment benefits	76,986	54,398
Payment of dividends	<u>220,726</u>	<u>234,095</u>
	<u>620,515</u>	<u>535,157</u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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**22 Related party transactions (continued)****Expenditure with and payables to related parties**

	<b>Other related parties £</b>
<b>2022</b>	
Rendering of services	76,280
Leases	189,500
Payment of dividends	<u>1,986,410</u>
	<u><u>2,252,190</u></u>

	<b>Other related parties £</b>
<b>2021</b>	
Rendering of services	66,081
Leases	131,172
Payment of dividends	<u>1,893,668</u>
	<u><u>2,090,921</u></u>

**Barron Wood Distribution Limited****Notes to the Financial Statements for the Year Ended 31 October 2022 (continued)**

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**22 Related party transactions (continued)****Loans from related parties**

	<b>Key management £</b>	<b>Other related parties £</b>	<b>Total £</b>
<b>2022</b>			
At start of period	453,663	102,206	555,869
Advanced	1,986,410	2,103,051	4,089,461
Repaid	<u>(1,928,548)</u>	<u>(2,064,670)</u>	<u>(3,993,218)</u>
At end of period	<u>511,525</u>	<u>140,587</u>	<u>652,112</u>

	<b>Key management £</b>	<b>Other related parties £</b>	<b>Total £</b>
<b>2021</b>			
At start of period	436,562	78,560	515,122
Advanced	1,893,668	2,229,495	4,123,163
Repaid	<u>(1,876,567)</u>	<u>(2,205,849)</u>	<u>(4,082,416)</u>
At end of period	<u>453,663</u>	<u>102,206</u>	<u>555,869</u>