

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
Allied International Trading Limited**

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for the Year Ended 31 December 2022**

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Allied International Trading Limited

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:

P Akhtar
Mrs S Akhtar
Mrs R J Pervez

REGISTERED OFFICE:

Unit 3, Rabone Lane
Rabone Park
Smethwick
B66 2NN

REGISTERED NUMBER:

03232058 (England and Wales)

AUDITORS:

Alderton Accountancy Limited, Statutory Auditor
Chartered Certified Accountants
Registered Auditors
962 Eastern Avenue
Newbury Park
Ilford
Essex
IG2 7JD

BANKERS:

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

**Strategic Report
for the Year Ended 31 December 2022**

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

Principal activities of the company in the year remain same that of developing, marketing, and distributing disposable and industrial gloves, workwear garments, footwear, and personal protective equipment (PPE).

BUSINESS REVIEW

The business maintained its focus on the UK and Irish market, where it saw demand of PPE products reduced to levels before the pandemic. The COVID-19 crisis had posed significant difficulties for the traditional industrial workwear market, both in terms of demand and supply chain. Many of the industrial workwear customers faced negative impacts and exerted downward pressure on the prices of the products. The company responded to the market challenges and managed to keep the volume at pre-pandemic levels, but this resulted in lower revenue and gross profit compared to the previous year due to the price reduction.

Directors focused on three key performance indicators, revenue, profit before tax and shareholder's funds. These indicators communicate the financial performance and the strengths of the company. A summary of these indicators is given in the table below.

	2022	2021
	£	£
Turnover	19,565,982	23,274,893
Profit before tax	1,039,610	1,718,468
Shareholder's fund	20,960,622	18,592,090

The Directors will keep track of these key performance indicators in the next period. The company also continued to incur charitable donations made to Balqees Welfare Foundation, a charity setup by Mr. & Mrs. Akhtar for the public benefit and those who are most vulnerable in Pakistan.

BUSINESS RISK

The company's operations expose it to financial risk of currency, raw material price fluctuations, competition and customer default.

Currency and raw material price fluctuations

The company imports and pay for all its purchases in US dollars. It manages its currency exposure to fluctuation through a combination of foreign currency hedging and monitoring the spot US dollar exchange rate.

Raw material price fluctuation is mitigated through negotiating long term contracts, actively working with suppliers, and managing stock better through just-in-time stock forecasting and ordering system.

Competition

The company seeks to manage this risk by investing in new product ranges and differentiate itself through improved service away from price driven competition. Business already has a diverse portfolio of products and customer base which is serviced by trained sales and customer services staff.

Customer default

The company operates a proactive credit control system and purchases credit insurance for all major debtors. All new customers are credit checked and assigned credit limits continuously monitored.

They payment terms are strictly adhered to and any customer in default of trading terms is actively pursued for settlement. By adopting this policy company hopes to minimise its bad debts.

**Strategic Report
for the Year Ended 31 December 2022**

RESEARCH AND DEVELOPMENT

The company is committed to an ongoing process of research and development (R&D). This commitment encompasses exploring sustainable materials, identifying emerging market sectors, and consistently developing and launching high-quality products. The introduction of new product ranges and the rigorous compliance of existing products with industry standards are key drivers of this research and development effort. Indeed, R&D has played an indispensable role in supporting the company's growth and success thus far.

By investing in research and development, the company remains agile and responsive to changing market dynamics. This proactive approach allows the company to meet evolving customer needs and expectations. Additionally, the company's dedication to maintaining and elevating product quality through R&D ensures customer satisfaction and trust.

FUTURE DEVELOPMENTS

The company's directors are steadfast in their commitment to the current strategy, which revolves around investing in new product ranges and expanding the workforce. This strategy has consistently yielded growth and profitability over the years, demonstrating its effectiveness and aligning with the company's long-term goals for expansion and success.

The company is actively seeking ways to reduce its environmental footprint. This involves initiatives such as reducing energy consumption, minimising waste, and exploring eco-friendly alternatives in materials.

Furthermore, the company places a strong emphasis on the health, safety, and well-being of its employees. This commitment extends beyond the workplace to encompass comprehensive safety protocols, regular training, and sustainability initiatives. The directors are actively working to ensure that this focus on safety and sustainability remains a top priority in the years to come, recognising the importance of responsible corporate citizenship and its positive impact on both the workforce and the planet.

ON BEHALF OF THE BOARD:

P Akhtar - Director

14 September 2023

**Report of the Directors
for the Year Ended 31 December 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of import & distribution of disposable hygiene, protective clothing and footwear.

DIVIDENDS

An interim dividend of 22.22 per share was paid on 31 December 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2022 will be £ 100,000 .

DIRECTORS

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

P Akhtar
Mrs S Akhtar
Mrs R J Pervez

CHARITABLE DONATIONS

Charitable donations during the year amounted to £1,031,379 (2021: £1,828,362). The directors of the company have a vision to support charities for the public benefit and for the relief of those in need. The donations have been made to Balqees Welfare Foundation to help those in need by reason of youth, age, ill-health, disability, financial hardship or any other disadvantage in Pakistan. The directors envision to continue to support such charities in the future also.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**Report of the Directors
for the Year Ended 31 December 2022**

AUDITORS

The auditors, Jamil Raja of Alderton Accountancy Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P Akhtar - Director

14 September 2023

Report of the Independent Auditors to the Members of Allied International Trading Limited

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Allied International Trading Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

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:

Irregularities, including fraud, are instances of non-compliance with law and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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.

Report of the Independent Auditors to the Members of Allied International Trading Limited

Use of our report

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

Jamil Raja (Senior Statutory Auditor)
For and on behalf of Alderton Accountancy Limited, Statutory Auditor
Chartered Certified Accountants
Registered Auditors
962 Eastern Avenue
Newbury Park
Ilford
Essex
IG2 7JD

14 September 2023

**Income Statement
for the Year Ended 31 December 2022**

	Notes	2022 £	£	2021 £	£
TURNOVER	3		19,565,982		23,274,893
Cost of sales			14,640,828		<u>16,574,132</u>
GROSS PROFIT			4,925,154		<u>6,700,761</u>
Distribution costs		734,130		597,136	
Administrative expenses		4,267,674		<u>4,994,214</u>	
			5,001,804		<u>5,591,350</u>
			(76,650)		<u>1,109,411</u>
Other operating income			1,139,735		<u>645,239</u>
OPERATING PROFIT	5		1,063,085		<u>1,754,650</u>
Interest receivable and similar income			6,964		<u>23</u>
			1,070,049		<u>1,754,673</u>
Interest payable and similar expenses	6		30,439		<u>36,205</u>
PROFIT BEFORE TAXATION			1,039,610		<u>1,718,468</u>
Tax on profit	7		226,117		<u>(176,096)</u>
PROFIT FOR THE FINANCIAL YEAR			813,493		<u><u>1,894,564</u></u>

The notes form part of these financial statements

**Other Comprehensive Income
for the Year Ended 31 December 2022**

Notes	2022 £	2021 £
PROFIT FOR THE YEAR	813,493	1,894,564
OTHER COMPREHENSIVE INCOME		
Deferred tax adjustment on revaluation - Freehold property	2,043,258	-
Income tax relating to other comprehensive income	<u>(388,219)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>1,655,039</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>2,468,532</u>	<u>1,894,564</u>

**Statement of Financial Position
31 December 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		5,652,812		3,803,038
Investments	10		112		112
Investment property	11		6,107,445		5,306,793
			11,760,369		9,109,943
CURRENT ASSETS					
Stocks	12	3,994,648		3,497,435	
Debtors	13	5,262,622		4,319,345	
Cash at bank and in hand		2,801,668		3,996,437	
		12,058,938		11,813,217	
CREDITORS					
Amounts falling due within one year	14	2,002,403		2,013,072	
NET CURRENT ASSETS			10,056,535		9,800,145
TOTAL ASSETS LESS CURRENT LIABILITIES			21,816,904		18,910,088
PROVISIONS FOR LIABILITIES	18		856,282		317,998
NET ASSETS			20,960,622		18,592,090
CAPITAL AND RESERVES					
Called up share capital	19		450,000		450,000
Revaluation reserve	20		5,013,427		3,358,388
Fair value reserve	20		1,092,722		444,194
Retained earnings	20		14,404,473		14,339,508
SHAREHOLDERS' FUNDS			20,960,622		18,592,090

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2023 and were signed on its behalf by:

P Akhtar - Director

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

	Called up share capital £	Retained earnings £	Revaluation reserve £	Fair value reserve £	Total equity £
Balance at 1 January 2021	450,000	12,858,877	3,358,388	140,261	16,807,526
Changes in equity					
Dividends	-	(110,000)	-	-	(110,000)
Total comprehensive income	-	1,590,631	-	303,933	1,894,564
Balance at 31 December 2021	<u>450,000</u>	<u>14,339,508</u>	<u>3,358,388</u>	<u>444,194</u>	<u>18,592,090</u>
Changes in equity					
Dividends	-	(100,000)	-	-	(100,000)
Total comprehensive income	-	164,965	1,655,039	648,528	2,468,532
Balance at 31 December 2022	<u>450,000</u>	<u>14,404,473</u>	<u>5,013,427</u>	<u>1,092,722</u>	<u>20,960,622</u>

The notes form part of these financial statements

**Statement of Cash Flows
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(168,805)	426,184
Interest paid		(30,439)	(36,205)
Value adjustments		(800,652)	(375,225)
Tax paid		(112,674)	(638,312)
Net cash from operating activities		<u>(1,112,570)</u>	<u>(623,558)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,095)	(21,862)
Purchase of fixed asset investments		-	(112)
Purchase of investment property		-	(3,500)
Sale of tangible fixed assets		-	(447)
Interest received		6,964	23
Net cash from investing activities		<u>(1,131)</u>	<u>(25,898)</u>
Cash flows from financing activities			
Loan repayments in year		-	(1,410,024)
Net amount introduced by directors		11,640	-
Amount withdrawn by directors		-	(701)
Equity dividends paid		(100,000)	(110,000)
Net cash from financing activities		<u>(88,360)</u>	<u>(1,520,725)</u>
Decrease in cash and cash equivalents		<u>(1,202,061)</u>	<u>(2,170,181)</u>
Cash and cash equivalents at beginning of year	2	3,989,102	6,159,283
Cash and cash equivalents at end of year	2	<u>2,787,041</u>	<u>3,989,102</u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
for the Year Ended 31 December 2022**

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

	2022	2021
	£	£
Profit before taxation	1,039,610	1,718,468
Depreciation charges	201,578	156,517
Loss on disposal of fixed assets	-	447
Government grants	-	(99,446)
Finance costs	30,439	36,205
Finance income	(6,964)	(23)
	1,264,663	1,812,168
Increase in stocks	(497,213)	(1,364,667)
(Increase)/decrease in trade and other debtors	(943,277)	263,658
Increase/(decrease) in trade and other creditors	7,022	(284,975)
Cash generated from operations	<u>(168,805)</u>	<u>426,184</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	2,801,668	3,996,437
Bank overdrafts	(14,627)	(7,335)
	<u>2,787,041</u>	<u>3,989,102</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	3,996,437	6,173,461
Bank overdrafts	(7,335)	(14,178)
	<u>3,989,102</u>	<u>6,159,283</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	3,996,437	(1,194,769)	2,801,668
Bank overdrafts	(7,335)	(7,292)	(14,627)
	<u>3,989,102</u>	<u>(1,202,061)</u>	<u>2,787,041</u>
Total	<u>3,989,102</u>	<u>(1,202,061)</u>	<u>2,787,041</u>

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

1. STATUTORY INFORMATION

Allied International Trading 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 Company 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

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

Turnover is recognised on the date that the goods are physically despatched to the customer and is stated net of trade discounts.

Tangible fixed assets

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

Freehold property	- 50 years based on cost/revalued amount
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Land and buildings held and used in the Company's own activities for production and supply of goods or for administrative purposes are stated in the statement of financial position at their revalued amounts. Their revalued amounts equate to the fair value at the date of revaluation, less any depreciation or impairment losses subsequently accumulated.

Revaluations are carried out regularly so that the carrying amounts do not materially differ from using the fair value at the date of the statement of financial position. No transfer is made from the revaluation reserve to retained earnings unless an asset is derecognised.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Net realisable value is based on the estimated selling price less any estimated selling costs.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. 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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	18,630,493	22,344,755
Europe	935,489	930,138
	<u>19,565,982</u>	<u>23,274,893</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,581,788	1,504,206
Social security costs	158,091	151,000
Other pension costs	31,748	30,660
	<u>1,771,627</u>	<u>1,685,866</u>

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

	2022	2021
Directors	3	3
Sales	20	20
Administration	13	16
Distribution	19	18
	<u>55</u>	<u>57</u>

	2022	2021
	£	£
Directors' remuneration	91,184	101,921
Directors' pension contributions to money purchase schemes	<u>1,187</u>	<u>1,529</u>

The above directors' emoluments consist of directors' remunerations and benefits in kind.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	56,341	54,382
Depreciation - owned assets	201,578	162,174
Loss on disposal of fixed assets	-	447
Auditors' remuneration	25,000	25,000
Auditors' remuneration for non audit work	<u>1,060</u>	<u>7,315</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank loan interest	30,204	36,205
Interest on overdue tax	235	-
	<u>30,439</u>	<u>36,205</u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	76,052	112,674
Deferred tax	150,065	(288,770)
Tax on profit	<u>226,117</u>	<u>(176,096)</u>

UK corporation tax has been charged at 19% .

Reconciliation of total tax charge/(credit) 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>1,039,610</u>	<u>1,718,468</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	197,526	326,509
Effects of:		
Depreciation in excess of capital allowances	30,650	18,517
R&D expenditure claim	-	(161,059)
Deferred tax adjustment	150,065	(288,770)
Value adjustments of investment property	(152,124)	(71,293)
Total tax charge/(credit)	<u>226,117</u>	<u>(176,096)</u>

Tax effects relating to effects of other comprehensive income

	Gross	2022	Net
	£	Tax	£
		£	
Deferred tax adjustment on revaluation			
- Freehold property	2,043,258	(388,219)	1,655,039
	<u>2,043,258</u>	<u>(388,219)</u>	<u>1,655,039</u>

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

8. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1.00 each		
Interim	<u>100,000</u>	<u>110,000</u>

Interim dividend for the year ended 31 December 2022 of 11.11P per share (2021: 12.22p per share).

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2022	3,880,000	497,642	436,651	85,391	4,899,684
Additions	-	739	7,356	-	8,095
Revaluations	<u>1,770,000</u>	-	-	-	<u>1,770,000</u>
At 31 December 2022	<u>5,650,000</u>	<u>498,381</u>	<u>444,007</u>	<u>85,391</u>	<u>6,677,779</u>
DEPRECIATION					
At 1 January 2022	273,258	361,306	385,963	76,119	1,096,646
Charge for year	150,480	34,269	14,511	2,318	201,578
Revaluation adjustments	<u>(273,257)</u>	-	-	-	<u>(273,257)</u>
At 31 December 2022	<u>150,481</u>	<u>395,575</u>	<u>400,474</u>	<u>78,437</u>	<u>1,024,967</u>
NET BOOK VALUE					
At 31 December 2022	<u>5,499,519</u>	<u>102,806</u>	<u>43,533</u>	<u>6,954</u>	<u>5,652,812</u>
At 31 December 2021	<u>3,606,742</u>	<u>136,336</u>	<u>50,688</u>	<u>9,272</u>	<u>3,803,038</u>

Included in cost or valuation of land and buildings is freehold land of £ 450,000 (2021 - £ 450,000) which is not depreciated.

Cost or valuation at 31 December 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	1,675,000	-	-	-	1,675,000
Valuation in 2009	(1,356,745)	-	-	-	(1,356,745)
Valuation in 2016	705,997	-	-	-	705,997
Valuation in 2020	196,740	-	-	-	196,740
Valuation in 2022	<u>1,770,000</u>	-	-	-	<u>1,770,000</u>
Cost	<u>2,659,008</u>	<u>498,381</u>	<u>444,007</u>	<u>85,391</u>	<u>3,686,787</u>
	<u>5,650,000</u>	<u>498,381</u>	<u>444,007</u>	<u>85,391</u>	<u>6,677,779</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

9. TANGIBLE FIXED ASSETS - continued

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

	2022	2021
	£	£
Cost	2,659,008	2,659,008
Aggregate depreciation	619,841	575,660
Value of land in freehold land and buildings	450,000	450,000

Freehold land and buildings were valued on an open market basis on 31 December 2022 by Anderson Wilde & Harris, RICS .

The Directors are of the opinion that the value of freehold land and buildings is not materially different from their fair value at the date of the statement of financial position.

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2022	
and 31 December 2022	112
NET BOOK VALUE	
At 31 December 2022	112
At 31 December 2021	112

11. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2022	5,306,793
Revaluations	800,652
At 31 December 2022	6,107,445
NET BOOK VALUE	
At 31 December 2022	6,107,445
At 31 December 2021	5,306,793

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

11. INVESTMENT PROPERTY - continued

Fair value at 31 December 2022 is represented by:

	£
Valuation in 2021	1,869,887
Valuation in 2022	800,652
Cost	<u>3,436,906</u>
	<u>6,107,445</u>

If investment properties had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>3,436,906</u>	<u>3,436,906</u>

Investment properties were valued on an open market basis on 31 December 2022 by Anderson Wilde & Harris, RICS .

The directors are of the opinion that the carrying amount of investment properties reflect their fair value.

12. STOCKS

	2022 £	2021 £
Stocks	<u>3,994,648</u>	<u>3,497,435</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	3,103,689	3,303,703
Other debtors	148,335	92,222
Payment on account for goods	296,650	224,338
Third party loan	1,603,922	559,080
VAT	-	20,194
Prepayments	<u>110,026</u>	<u>119,808</u>
	<u>5,262,622</u>	<u>4,319,345</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	14,627	7,335
Trade creditors	666,714	825,535
Tax	141,335	177,957
Social security and other taxes	42,431	45,403
VAT	66,985	-
Credit balance on sales ledger	139,802	135,979
Directors' current accounts	12,029	389
Deferred income	80,299	27,751
Accrued expenses	838,181	792,723
	<u>2,002,403</u>	<u>2,013,072</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>14,627</u>	<u>7,335</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	20,002	20,168
Between one and five years	34,449	-
	<u>54,451</u>	<u>20,168</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	<u>14,627</u>	<u>7,335</u>

18. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	(20,243)	(18,184)
Property revaluation	876,525	336,182
	<u>856,282</u>	<u>317,998</u>

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

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2022	317,998
Accelerated capital allowances	(2,059)
Property revaluation	540,343
Balance at 31 December 2022	<u>856,282</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022 £	2021 £
Number:	Class:			
450,000	Ordinary	£1.00	<u>450,000</u>	<u>450,000</u>

20. RESERVES

	Retained earnings £	Revaluation reserve £	Fair value reserve £	Totals £
At 1 January 2022	14,339,508	3,358,388	444,194	18,142,090
Profit for the year	813,493	-	-	813,493
Dividends	(100,000)	-	-	(100,000)
Property revaluation	-	2,043,258	-	2,043,258
Transfer to FV reserve	(648,528)	-	648,528	-
Deferred tax	-	(388,219)	-	(388,219)
At 31 December 2022	<u>14,404,473</u>	<u>5,013,427</u>	<u>1,092,722</u>	<u>20,510,622</u>

The revaluation reserve balance relates to the freehold property held at the date of the statement of financial position. Fair value reserve represents reserve on revaluation of investment property.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is P Akhtar.

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.