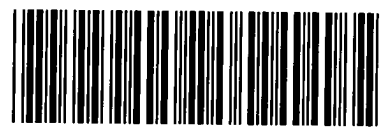


HARDWOOD LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THURSDAY



ABJUR4J6

A03

29/12/2022

#327

COMPANIES HOUSE

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

| | Page |
|---|-------------|
| Company Information | 1 |
| Group Strategic Report | 2 |
| Report of the Directors | 3 |
| Report of the Independent Auditors | 5 |
| Consolidated Income Statement | 9 |
| Consolidated Other Comprehensive Income | 10 |
| Consolidated Statement of Financial Position | 11 |
| Company Statement of Financial Position | 12 |
| Consolidated Statement of Changes in Equity | 13 |
| Company Statement of Changes in Equity | 14 |
| Consolidated Statement of Cash Flows | 15 |
| Notes to the Consolidated Statement of Cash Flows | 16 |
| Notes to the Consolidated Financial Statements | 18 |

HARDWOOD LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS:

M J Meyer
A G Stead
M J P Bacon

SECRETARY:

A G Stead

REGISTERED OFFICE:

Shelvin Manor
Wootton
CANTERBURY
Kent
CT4 6RL

BUSINESS ADDRESS:

150 Minories
Suite 302
LONDON
EC3N 1LS

REGISTERED NUMBER:

03347348 (England and Wales)

AUDITORS:

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

HARDWOOD LIMITED

GROUP STRATEGIC REPORT **FOR THE YEAR ENDED 31 MARCH 2022**

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

REVIEW OF BUSINESS

The Groups activities are closely linked to the housing market conditions which in turn is influenced by Bank of England monetary policy and consumer confidence. Housebuilding has stalled in recent months and is expected to remain weak in the months ahead with many professional commentators expecting a significant decline in house prices.

The Board continues to monitor the changes in the public and private housebuilding sectors and are cautiously optimistic of maintaining its business performance in line with market conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management addresses compliance with regulation, legal, health & safety and ethical standards for the companies.

KEY PERFORMANCE INDICATORS (KPI'S)

The board monitors the progress of the company by reference to the following KPI's:

| | <u>2022</u> | <u>2021</u> |
|--|--------------------|--------------------|
| Turnover | £14.7m | £21,7m |
| Gross margin % | 30.7% | 26.2% |
| Operating Profit (excluding exceptional items) | £1,161k | £945k |


BUSINESS ENVIRONMENT

The outlook for the UK housing sector is predicted to slow down significantly influenced by Government and Bank of England policies to contain inflationary pressures and the consequent impact on consumer confidence.

STRATEGY

The group companies focus upon delivering excellent customer service, reliable product quality and continual product development to maintain growth in its core markets and return an appropriate return on capital employed.

ON BEHALF OF THE BOARD:



.....
A G Stead - Director

20/12/2022
Date:

HARDWOOD LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 MARCH 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of sawmilling and planing of wood, manufacture of other builders' carpentry and joinery and construction of commercial and domestic buildings.

DIVIDENDS

A dividend was not declared for the year ended 31 March 2022.

DIRECTORS

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

M J Meyer
A G Stead
M J P Bacon

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

HARDWOOD LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Alan Stead

.....
A G Stead - Director

20/12/2022
Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HARDWOOD LIMITED

Qualified opinion

We have audited the financial statements of Hardwood Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated 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, except for the possible effects of the matter described in the basis for qualified opinion paragraph, 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 March 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 qualified 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. Due to the Coronavirus pandemic declared by the World Health Organisation on 11 March 2020 the component auditors of Trade Fabrication Systems Limited were unable to observe the counting of physical inventories at the 31 March 2020. They were unable to satisfy themselves by alternative means concerning the inventory quantities held at 31 March 2020. As opening balances relating to inventory form part of the determination of the profit and loss account in respect of the cost of sales figure, we were unable to determine whether any adjustment was necessary in respect of the profit and loss for the period reported.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARDWOOD LIMITED

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.

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 HARDWOOD 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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including, but not limited to, the Companies Act (2006), UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions such as recharges from the parent.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator, where applicable.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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
HARDWOOD 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.

AP

Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: Dec 20, 2022

HARDWOOD LIMITED

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

| | Notes | 31.3.22 £ | £ | 31.3.21 £ | £ |
|--|-------|--------------|------------|--------------|-------------|
| TURNOVER | | | 14,657,590 | | 21,682,848 |
| Cost of sales | | | 10,153,083 | | 16,005,288 |
| GROSS PROFIT | | | 4,504,507 | | 5,677,560 |
| Administrative expenses | | | 3,417,240 | | 5,194,772 |
| | | | 1,087,267 | | 482,788 |
| Other operating income | | | 73,908 | | 512,685 |
| OPERATING PROFIT | 5 | | 1,161,175 | | 995,473 |
| Income from interest in associated undertakings | | 203,983 | | 99,656 | |
| Interest receivable and similar income | | 2,023 | | 916 | |
| | | | 206,006 | | 100,572 |
| | | | 1,367,181 | | 1,096,045 |
| Amounts written off investments | 6 | | - | | 2,575,801 |
| | | | 1,367,181 | | (1,479,756) |
| Interest payable and similar expenses | 7 | | 47,141 | | 46,963 |
| PROFIT/(LOSS) BEFORE TAXATION | | | 1,320,040 | | (1,526,719) |
| Tax on profit/(loss) | 8 | | 275,959 | | 308,530 |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | | 1,044,081 | | (1,835,249) |
| Profit/(loss) attributable to: Owners of the parent | | | 1,044,081 | | (1,835,249) |

The notes form part of these financial statements

HARDWOOD LIMITED**CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

| | Notes | 31.3.22 £ | 31.3.21 £ |
|---|-------|------------------|--------------------|
| PROFIT/(LOSS) FOR THE YEAR | | 1,044,081 | (1,835,249) |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>1,044,081</u> | <u>(1,835,249)</u> |
| Total comprehensive income attributable to: Owners of the parent | | <u>1,044,081</u> | <u>(1,835,249)</u> |

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

| | Notes | 31.3.22 £ | £ | 31.3.21 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 11 | | - | | (78,229) |
| Tangible assets | 12 | | 3,149,120 | | 3,192,461 |
| Investments | 13 | | | | |
| Interest in associate undertaking | | | 669,038 | | 465,055 |
| | | | <u>3,818,158</u> | | <u>3,579,287</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 14 | 1,132,542 | | 940,922 | |
| Debtors | 15 | 2,766,778 | | 2,074,407 | |
| Cash at bank and in hand | | 2,366,228 | | 1,936,364 | |
| | | <u>6,265,548</u> | | <u>4,951,693</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | 2,222,690 | | 1,677,711 | |
| NET CURRENT ASSETS | | | <u>4,042,858</u> | | <u>3,273,982</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 7,861,016 | | 6,853,269 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 17 | | (522,851) | | (665,801) |
| PROVISIONS FOR LIABILITIES | 21 | | (388,436) | | (281,820) |
| NET ASSETS | | | <u><u>6,949,729</u></u> | | <u><u>5,905,648</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 22 | | 8,911 | | 8,911 |
| Capital redemption reserve | 23 | | 4,011 | | 4,011 |
| Retained earnings | 23 | | 6,936,807 | | 5,892,726 |
| SHAREHOLDERS' FUNDS | | | <u><u>6,949,729</u></u> | | <u><u>5,905,648</u></u> |

The financial statements were approved by the Board of Directors and authorised for issue on 20/12/2022 and were signed on its behalf by:

Alan Stead

A G Stead - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

| | Notes | 31.3.22 £ | £ | 31.3.21 £ | £ |
|--|-------|----------------|----------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 11 | - | - | - | - |
| Tangible assets | 12 | 1,000 | | 2,000 | |
| Investments | 13 | 735,141 | | 735,141 | |
| | | <u>736,141</u> | | <u>737,141</u> | |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 343,673 | | 165,428 | |
| Cash at bank | | 574,460 | | 261,146 | |
| | | <u>918,133</u> | | <u>426,574</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | 698,579 | | 252,691 | |
| NET CURRENT ASSETS | | | <u>219,554</u> | | <u>173,883</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 955,695 | | 911,024 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 17 | | 233,066 | | 233,066 |
| NET ASSETS | | | <u>722,629</u> | | <u>677,958</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 22 | | 8,911 | | 8,911 |
| Capital redemption reserve | 23 | | 4,011 | | 4,011 |
| Retained earnings | 23 | | 709,707 | | 665,036 |
| SHAREHOLDERS' FUNDS | | | <u>722,629</u> | | <u>677,958</u> |
| Company's profit/(loss) for the financial year | | | <u>44,671</u> | | <u>(195,071)</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 20/12/2022 and were signed on its behalf by:

Alan Stead

.....
A G Stead - Director

The notes form part of these financial statements

HARDWOOD LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 31 MARCH 2022

| | Called up share capital £ | Retained earnings £ | Capital redemption reserve £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|---------------------------------------|----------------------|
| Balance at 1 April 2020 | 8,909 | 8,607,045 | 4,011 | 8,619,965 |
| Changes in equity | | | | |
| Issue of share capital | 2 | - | - | 2 |
| Dividends | - | (879,070) | - | (879,070) |
| Total comprehensive income | - | (1,835,249) | - | (1,835,249) |
| Balance at 31 March 2021 | <u>8,911</u> | <u>5,892,726</u> | <u>4,011</u> | <u>5,905,648</u> |
| Changes in equity | | | | |
| Total comprehensive income | - | 1,044,081 | - | 1,044,081 |
| Balance at 31 March 2022 | <u>8,911</u> | <u>6,936,807</u> | <u>4,011</u> | <u>6,949,729</u> |

The notes form part of these financial statements

HARDWOOD LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 31 MARCH 2022

| | Called up share capital £ | Retained earnings £ | Capital redemption reserve £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|---------------------------------------|-----------------------|
| Balance at 1 April 2020 | 8,909 | 1,739,177 | 4,011 | 1,752,097 |
| Changes in equity | | | | |
| Issue of share capital | 2 | - | - | 2 |
| Dividends | - | (879,070) | - | (879,070) |
| Total comprehensive income | - | (195,071) | - | (195,071) |
| Balance at 31 March 2021 | <u>8,911</u> | <u>665,036</u> | <u>4,011</u> | <u>677,958</u> |
| Changes in equity | | | | |
| Total comprehensive income | - | 44,671 | - | 44,671 |
| Balance at 31 March 2022 | <u><u>8,911</u></u> | <u><u>709,707</u></u> | <u><u>4,011</u></u> | <u><u>722,629</u></u> |

The notes form part of these financial statements

HARDWOOD LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

| | Notes | 31.3.22 £ | 31.3.21 £ |
|---|-------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 931,005 | (1,112,041) |
| Interest paid | | (47,141) | (46,963) |
| Tax paid | | - | (371,321) |
| Net cash from operating activities | | <u>883,864</u> | <u>(1,530,325)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (314,847) | (833,311) |
| Sale of tangible fixed assets | | 2,000 | 418,483 |
| Interest received | | 2,023 | 916 |
| Dividends received | | - | 99,656 |
| Net cash from investing activities | | <u>(310,824)</u> | <u>(314,256)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | - | 243,254 |
| Loan repayments in year | | (128,245) | (7,503) |
| Capital repayments in year | | (14,931) | (11,538) |
| Amount withdrawn by directors | | - | (740,000) |
| Share issue | | - | 2 |
| Equity dividends paid | | - | (879,070) |
| Net cash from financing activities | | <u>(143,176)</u> | <u>(1,394,855)</u> |
| Increase/(decrease) in cash and cash equivalents | | <u>429,864</u> | <u>(3,239,436)</u> |
| Cash and cash equivalents at beginning of year | 2 | 1,936,364 | 5,175,800 |
| Cash and cash equivalents at end of year | 2 | <u><u>2,366,228</u></u> | <u><u>1,936,364</u></u> |

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 31.3.22 | 31.3.21 |
|--|-----------------------|---------------------------|
| | £ | £ |
| Profit/(loss) before taxation | 1,320,040 | (1,526,719) |
| Depreciation charges | 279,960 | 421,590 |
| Profit on disposal of fixed assets | (2,000) | (12,157) |
| Corporation tax refund | 1,770 | - |
| Difference on deferred tax movement | (1,587) | - |
| Finance costs | 47,141 | 46,963 |
| Finance income | (206,006) | (100,572) |
| | <u>1,439,318</u> | <u>(1,170,895)</u> |
| (Increase)/decrease in stocks | (191,620) | 604,018 |
| (Increase)/decrease in trade and other debtors | (692,371) | 4,022,600 |
| Increase/(decrease) in trade and other creditors | 375,678 | (4,567,764) |
| | <u>931,005</u> | <u>(1,112,041)</u> |
| Cash generated from operations | <u><u>931,005</u></u> | <u><u>(1,112,041)</u></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 March 2022

| | 31.3.22 | 1.4.21 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Cash and cash equivalents | <u>2,366,228</u> | <u>1,936,364</u> |

Year ended 31 March 2021

| | 31.3.21 | 1.4.20 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Cash and cash equivalents | <u>1,936,364</u> | <u>5,175,800</u> |

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022****3. ANALYSIS OF CHANGES IN NET FUNDS**

| | At 1.4.21 £ | Cash flow £ | At 31.3.22 £ |
|---------------------------------|------------------|----------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | 1,936,364 | 429,864 | 2,366,228 |
| | <u>1,936,364</u> | <u>429,864</u> | <u>2,366,228</u> |
| Debt | | | |
| Finance leases | (31,907) | 14,931 | (16,976) |
| Debts falling due within 1 year | (121,984) | 226 | (121,758) |
| Debts falling due after 1 year | (645,736) | 128,019 | (517,717) |
| | <u>(799,627)</u> | <u>143,176</u> | <u>(656,451)</u> |
| Total | <u>1,136,737</u> | <u>573,040</u> | <u>1,709,777</u> |

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Hardwood 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. 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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets as well as amortisation of both positive and negative goodwill recognised on the consolidation of the group.

Due to the Coronavirus pandemic, another key source of estimate uncertainty this year relates to the recoverability of debtors at the year end due to the harsh economic environment that businesses find themselves in.

Turnover

Turnover is recognised when it is probable that economic benefits will flow to the company and is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

In determining the fair value of the consideration receivable the risk of default is a key factor, particularly in relation to retentions. If the risk of default, taking into consideration all known factors, is so high that it is not probable that any payment will be received then no revenue is recognised until such time as receipt becomes probable.

Goodwill

The net book value of goodwill, being the amount arising from consolidation is £Nil goodwill (2021: £78,229 negative goodwill). This is being written off evenly over its estimated useful life of five years.

Goodwill, being the amount paid in connection with the acquisition of a business in 1990, was written off evenly over its estimated useful life of five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES - continued

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.

Development costs are being amortised evenly over their estimated useful life of ten years.

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 | - 2% on a straight line basis or not provided for |
| Leasehold property | - 20% or 10% on a straight line basis |
| Buildings | - 2% on a straight line basis |
| Plant and machinery | - 25% on reducing balance or 5%, 10%, 20% or 25% on a straight line basis |
| Fixtures and fittings | - 25% or 33.33% on reducing balance or 20% on a straight line basis |
| Motor vehicles | - 25% on reducing balance or 25% on a straight line basis |
| Computer equipment | - 20% on a straight line basis |

Investments in associates

Investments in associate undertaking are recognised initially at cost then accounted for using the equity method.

Stocks

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES - continued

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES - continued

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 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. Identified development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES - continued

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed, to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Inventories are also assessed for impairment at each reporting date. Each item of inventory is compared to the last sold date and an impairment loss recognised on a percentage basis in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit and loss.

Going concern

The directors have assessed the major risks to which the group is exposed and assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of approval of the financial statements.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

4. EMPLOYEES AND DIRECTORS

| | 31.3.22 | 31.3.21 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,347,951 | 5,390,050 |
| Social security costs | 22,537 | 178,786 |
| Other pension costs | 76,934 | 120,574 |
| | <u>3,447,422</u> | <u>5,689,410</u> |

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

| | 31.3.22 | 31.3.21 |
|---------------------------------|----------------|----------------|
| Employees (including Directors) | <u>100</u> | <u>154</u> |
| | 31.3.22 | 31.3.21 |
| | £ | £ |
| Directors' remuneration | <u>462,125</u> | <u>817,599</u> |

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****4. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

| | 31.3.22 | 31.3.21 |
|----------------|---------|---------|
| | £ | £ |
| Emoluments etc | 231,500 | 271,814 |

5. OPERATING PROFIT

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

| | 31.3.22 | 31.3.21 |
|--|----------|----------|
| | £ | £ |
| Plant hire | - | 408,945 |
| Depreciation - owned assets | 351,638 | 492,750 |
| Depreciation - assets on hire purchase contracts | 6,550 | 7,069 |
| Profit on disposal of fixed assets | (2,000) | (12,157) |
| Goodwill amortisation | (78,229) | (78,229) |
| Auditors remuneration | 34,879 | 43,373 |
| Auditors' remuneration for non audit work | 3,605 | 3,410 |

6. AMOUNTS WRITTEN OFF INVESTMENTS

| | 31.3.22 | 31.3.21 |
|------------------|---------|-----------|
| | £ | £ |
| Amounts w/o invs | - | 2,575,801 |

The exceptional item in 2021 relates to the loss on the disposal of the investment held in Pinewood Structures Limited, a subsidiary company. A group reconstruction in 2021 was implemented whereby Hardwood Limited transferred its 100% shareholding in Pinewood Structures Limited to a new holding company, Pinewood Structures Holdings Limited.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 31.3.22 | 31.3.21 |
|------------------------|---------|---------|
| | £ | £ |
| Bank interest | 19,247 | 4,396 |
| Hire purchase interest | 1,516 | 2,008 |
| Bank loan interest | 938 | 6,271 |
| Other interest | 15,959 | 18,138 |
| Mortgage interest | 5,506 | 6,827 |
| Loan note interest | 3,975 | 9,323 |
| | 47,141 | 46,963 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

8. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

| | 31.3.22 £ | 31.3.21 £ |
|------------------------------|-----------------------|-----------------------|
| Current tax: | | |
| UK corporation tax | 196,579 | 237,756 |
| Underprovision previous year | (1,578) | - |
| Overprovision previous year | (27,244) | - |
| Total current tax | <u>167,757</u> | <u>237,756</u> |
| Deferred taxation | <u>108,202</u> | <u>70,774</u> |
| Tax on profit/(loss) | <u><u>275,959</u></u> | <u><u>308,530</u></u> |

9. INDIVIDUAL INCOME STATEMENT

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

10. DIVIDENDS

| | 31.3.22 £ | 31.3.21 £ |
|----------------------------|--------------|----------------|
| Ordinary shares of £1 each | | |
| Interim | <u>-</u> | <u>879,070</u> |

11. INTANGIBLE FIXED ASSETS**Group**

| | Goodwill £ | Development costs £ | Totals £ |
|-----------------------|------------------------|---------------------------|------------------------|
| COST | | | |
| At 1 April 2021 | | | |
| and 31 March 2022 | <u>(20,177)</u> | <u>579,387</u> | <u>559,210</u> |
| AMORTISATION | | | |
| At 1 April 2021 | 58,052 | 579,387 | 637,439 |
| Amortisation for year | <u>(78,229)</u> | <u>-</u> | <u>(78,229)</u> |
| At 31 March 2022 | <u>(20,177)</u> | <u>579,387</u> | <u>559,210</u> |
| NET BOOK VALUE | | | |
| At 31 March 2022 | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 March 2021 | <u><u>(78,229)</u></u> | <u><u>-</u></u> | <u><u>(78,229)</u></u> |

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****11. INTANGIBLE FIXED ASSETS - continued****Group**

The goodwill cost of £20,177 consists of goodwill of £3,195,533 and negative goodwill of £3,215,710 in relation to the acquisition of the subsidiaries.

12. TANGIBLE FIXED ASSETS**Group**

| | Freehold property £ | Leasehold property £ | Buildings £ |
|------------------------|---------------------------|----------------------------|----------------|
| COST | | | |
| At 1 April 2021 | 1,108,554 | 300,577 | 336,666 |
| Additions | - | - | - |
| Disposals | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2022 | 1,108,554 | 300,577 | 336,666 |
| | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | |
| At 1 April 2021 | 171,579 | 246,577 | 205,287 |
| Charge for year | 14,299 | 12,000 | 6,708 |
| Eliminated on disposal | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2022 | 185,878 | 258,577 | 211,995 |
| | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | |
| At 31 March 2022 | 922,676 | 42,000 | 124,671 |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2021 | 936,975 | 54,000 | 131,379 |
| | <hr/> | <hr/> | <hr/> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

12. TANGIBLE FIXED ASSETS - continued**Group**

| | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|-----------------------------|----------------------------------|----------------------------|-------------|
| COST | | | | |
| At 1 April 2021 | 4,829,897 | 129,635 | 317 | 6,705,646 |
| Additions | 313,224 | 1,623 | - | 314,847 |
| Disposals | (56,984) | - | - | (56,984) |
| At 31 March 2022 | 5,086,137 | 131,258 | 317 | 6,963,509 |
| DEPRECIATION | | | | |
| At 1 April 2021 | 2,810,076 | 79,351 | 315 | 3,513,185 |
| Charge for year | 306,858 | 18,322 | 1 | 358,188 |
| Eliminated on disposal | (56,984) | - | - | (56,984) |
| At 31 March 2022 | 3,059,950 | 97,673 | 316 | 3,814,389 |
| NET BOOK VALUE | | | | |
| At 31 March 2022 | 2,026,187 | 33,585 | 1 | 3,149,120 |
| At 31 March 2021 | 2,019,821 | 50,284 | 2 | 3,192,461 |

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

| | Plant and machinery £ |
|--------------------------------------|-----------------------------|
| COST | |
| At 1 April 2021 and 31 March 2022 | 65,500 |
| DEPRECIATION | |
| At 1 April 2021 | 13,646 |
| Charge for year | 6,550 |
| At 31 March 2022 | 20,196 |
| NET BOOK VALUE | |
| At 31 March 2022 | 45,304 |
| At 31 March 2021 | 51,854 |

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2022**12. TANGIBLE FIXED ASSETS - continued****Company**

| | Fixtures and fittings £ |
|-----------------------|----------------------------------|
| COST | |
| At 1 April 2021 | |
| and 31 March 2022 | 5,000 |
| DEPRECIATION | |
| At 1 April 2021 | 3,000 |
| Charge for year | 1,000 |
| At 31 March 2022 | 4,000 |
| NET BOOK VALUE | |
| At 31 March 2022 | 1,000 |
| At 31 March 2021 | 2,000 |

13. FIXED ASSET INVESTMENTS**Group**

| | Interest in associate undertaking £ |
|------------------------|---|
| COST | |
| At 1 April 2021 | 465,055 |
| Share of profit/(loss) | 203,983 |
| At 31 March 2022 | 669,038 |
| NET BOOK VALUE | |
| At 31 March 2022 | 669,038 |
| At 31 March 2021 | 465,055 |

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****Group****Interest in associate undertaking**

Wingham Timber & Mouldings Limited

The group's share of Wingham Timber & Mouldings Limited is as follows:

| | 31.3.22 £ | 31.3.21 £ |
|--|--------------|--------------|
| Turnover | 2,076,628 | 1,457,360 |
| Profit before tax | 248,730 | 123,192 |
| Taxation | (44,747) | (23,537) |
| Profit after tax | 203,983 | 99,655 |
| Share of assets | | |
| Fixed assets | 187,457 | 147,627 |
| Current assets | 888,340 | 593,043 |
| Share of liabilities | | |
| Liabilities due within one year | (440,884) | (271,395) |
| Liabilities due after one year or more | (8,394) | (14,048) |
| Share of net assets | 626,519 | 455,227 |

CompanyUnlisted
investments
£**COST**At 1 April 2021
and 31 March 2022

735,141

NET BOOK VALUE

At 31 March 2022

735,141

At 31 March 2021

735,141

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****13. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries**Triad Timber Components Limited**

Registered office: Bank Chambers, 1 Central Avenue, Sittingbourne, Kent, ME10 4AE

Nature of business: Sawmilling and planing of wood

| | % holding | | |
|--------------------------------|--------------|-------------------|-------------------|
| Class of shares: | | | |
| Ordinary | 100.00 | 31.3.22 | 31.3.21 |
| | | £ | £ |
| Aggregate capital and reserves | | 1,005,961 | 813,898 |
| Profit/(loss) for the year | | 192,063 | (81,425) |
| | | <u> </u> | <u> </u> |

Dover Trussed Roof Company Limited

Registered office: Bank Chambers, 1 Central Avenue, Sittingbourne, Kent, ME10 4AE

Nature of business: Sawmilling and planing of wood

| | % holding | | |
|--------------------------------|--------------|-------------------|-------------------|
| Class of shares: | | | |
| Ordinary | 100.00 | 31.3.22 | 31.3.21 |
| | | £ | £ |
| Aggregate capital and reserves | | 945,746 | 901,939 |
| Profit for the year | | 337,087 | 35,548 |
| | | <u> </u> | <u> </u> |

Calldene Limited

Registered office: Bank Chambers, 1 Central Avenue, Sittingbourne, Kent, ME10 4AE

Nature of business: Property rental and parent company

| | % holding | | |
|--------------------------------|--------------|-------------------|-------------------|
| Class of shares: | | | |
| Ordinary | 100.00 | 31.3.22 | 31.3.21 |
| | | £ | £ |
| Aggregate capital and reserves | | 1,171,389 | 1,174,586 |
| Profit/(loss) for the year | | 46,803 | (29,881) |
| | | <u> </u> | <u> </u> |

HARDWOOD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. FIXED ASSET INVESTMENTS - continued**Trade Fabrication Systems Limited**

Registered office: Chesford Park House, 18 Chesford Grange Woolston, Warrington, Cheshire, WA1 4RQ

Nature of business: Processing of wood panel products

| Class of shares: | % holding | 31.3.22 | 31.3.21 |
|--------------------------------|--------------|-------------------|-------------------|
| Ordinary | 100.00 | £ | £ |
| Aggregate capital and reserves | | 3,606,567 | 3,122,042 |
| Profit for the year | | 484,525 | 273,766 |
| | | <u> </u> | <u> </u> |

14. STOCKS

| | Group | |
|--------|-------------------|-------------------|
| | 31.3.22 | 31.3.21 |
| | £ | £ |
| Stocks | 1,132,542 | 940,922 |
| | <u> </u> | <u> </u> |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------------|------------------|------------------|----------------|----------------|
| | 31.3.22 | 31.3.21 | 31.3.22 | 31.3.21 |
| | £ | £ | £ | £ |
| Trade debtors | 2,518,817 | 1,756,146 | - | 64,551 |
| Amounts owed by group undertakings | - | - | 293,280 | 50,000 |
| Other debtors | 115,922 | 284,225 | 20,523 | 20,507 |
| Deferred tax asset | - | - | 29,870 | 29,870 |
| Prepayments and accrued income | 132,039 | 34,036 | - | 500 |
| | <u>2,766,778</u> | <u>2,074,407</u> | <u>343,673</u> | <u>165,428</u> |

HARDWOOD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 31.3.22 | 31.3.21 | 31.3.22 | 31.3.21 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 18) | 66,366 | 59,155 | - | - |
| Other loans (see note 18) | 55,392 | 62,829 | - | - |
| Hire purchase contracts (see note 19) | 11,842 | 11,842 | - | - |
| Trade creditors | 714,477 | 733,135 | 3,356 | 241 |
| Amounts owed to associates | 119,486 | - | - | - |
| Other creditors | 123,642 | 251,937 | - | 1,253 |
| Other taxes and PAYE | 598,482 | 291,930 | 13,091 | 20,515 |
| Subsidiary company loan | - | - | 450,000 | - |
| Directors' Current Accounts | 220,000 | 220,000 | 220,000 | 220,000 |
| Accruals and deferred income | 313,003 | 46,883 | 12,132 | 10,682 |
| | <u>2,222,690</u> | <u>1,677,711</u> | <u>698,579</u> | <u>252,691</u> |

Other loans are secured directly against the assets that funding has been advanced for.

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

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 31.3.22 | 31.3.21 | 31.3.22 | 31.3.21 |
| | £ | £ | £ | £ |
| Debentures (see note 18) | 233,066 | 233,066 | 233,066 | 233,066 |
| Bank loans (see note 18) | 166,767 | 232,245 | - | - |
| Other loans (see note 18) | 117,884 | 180,425 | - | - |
| Hire purchase contracts (see note 19) | 5,134 | 20,065 | - | - |
| | <u>522,851</u> | <u>665,801</u> | <u>233,066</u> | <u>233,066</u> |

Debentures refers to 4% unsecured loan notes.

Other loans are secured directly against the assets that funding has been advanced for.

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2022**18. LOANS**

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 31.3.22 | 31.3.21 | 31.3.22 | 31.3.21 |
| | £ | £ | £ | £ |
| Amounts falling due within one year or on demand: | | | | |
| Bank loans - less than 1 yr | 9,566 | 2,355 | - | - |
| Mortgage - less than 1 year | 56,800 | 56,800 | - | - |
| Other loans - less than 1 yr | 55,392 | 62,829 | - | - |
| | <u>121,758</u> | <u>121,984</u> | <u>-</u> | <u>-</u> |
| Amounts falling due between one and two years: | | | | |
| Debentures - 1-2 years | 233,066 | 233,066 | 233,066 | 233,066 |
| Bank loans - 1-2 years | 9,808 | 9,566 | - | - |
| Mortgage - 1-2 years | 56,800 | 56,800 | - | - |
| Other loans - 1-2 years | 117,884 | 180,425 | - | - |
| | <u>417,558</u> | <u>479,857</u> | <u>233,066</u> | <u>233,066</u> |
| Amounts falling due between two and five years: | | | | |
| Bank loans - 2-5 years | 29,159 | 19,865 | - | - |
| Mortgage - 2-5 years | 71,000 | 127,800 | - | - |
| | <u>100,159</u> | <u>147,665</u> | <u>-</u> | <u>-</u> |
| Amounts falling due in more than five years: | | | | |
| Repayable by instalments | | | | |
| Bank loans more 5 yr by instal | - | 18,214 | - | - |
| | <u>-</u> | <u>18,214</u> | <u>-</u> | <u>-</u> |

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

| | Hire purchase contracts | |
|----------------------------|--------------------------------|---------------|
| | 31.3.22 | 31.3.21 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 11,842 | 11,842 |
| Between one and five years | 5,134 | 20,065 |
| | <u>16,976</u> | <u>31,907</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

19. LEASING AGREEMENTS - continued**Group**

| | Non-cancellable operating leases | |
|-----------------|----------------------------------|---------|
| | 31.3.22 | 31.3.21 |
| | £ | £ |
| Within one year | 1,503,935 | 248,941 |

20. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | |
|------------|---------|---------|
| | 31.3.22 | 31.3.21 |
| | £ | £ |
| Bank loans | 233,133 | 291,400 |

There is a legal mortgage in favour of National Westminster Bank Plc over Unit A, Commerce Way Industrial Estate, Lancing to secure amounts due to the bank.

There is also a fixed charge in favour of the bank over assets of the company and rents receivable from any lease granted out of the property.

There is a separate fixed and floating charge over assets of the company in favour of the bank in relation to any amounts due on the overdraft facility. At 31 March 2022 the overdraft facility was not in use.

There is a legal mortgage in favour of Yorkshire Bank Plc over Chesford Park House, 18 Chesford Grange, Woolston to secure amounts due to the bank.

21. PROVISIONS FOR LIABILITIES

| | Group | |
|--------------------------|---------|--------------|
| | 31.3.22 | 31.3.21 |
| | £ | £ |
| Deferred taxation | 388,436 | 281,820 |
| Group | | |
| | | Deferred tax |
| | | £ |
| Balance at 1 April 2021 | | 281,820 |
| Provided during year | | 106,616 |
| Balance at 31 March 2022 | | 388,436 |

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****21. PROVISIONS FOR LIABILITIES - continued****Company**

| | Deferred tax £ |
|--------------------------|----------------------|
| Balance at 1 April 2021 | (29,870) |
| Balance at 31 March 2022 | <u>(29,870)</u> |

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.3.22 £ | 31.3.21 £ |
|---------|------------|-------------------|--------------|--------------|
| 8,909 | Ordinary | £1 | 8,909 | 8,909 |
| 2 | B Ordinary | £1 | 2 | 2 |
| | | | <u>8,911</u> | <u>8,911</u> |

23. RESERVES**Group**

| | Retained earnings £ | Capital redemption reserve £ | Totals £ |
|---------------------|---------------------------|---------------------------------------|------------------|
| At 1 April 2021 | 5,892,726 | 4,011 | 5,896,737 |
| Profit for the year | 1,044,081 | | 1,044,081 |
| At 31 March 2022 | <u>6,936,807</u> | <u>4,011</u> | <u>6,940,818</u> |

Company

| | Retained earnings £ | Capital redemption reserve £ | Totals £ |
|---------------------|---------------------------|---------------------------------------|----------------|
| At 1 April 2021 | 665,036 | 4,011 | 669,047 |
| Profit for the year | 44,671 | | 44,671 |
| At 31 March 2022 | <u>709,707</u> | <u>4,011</u> | <u>713,718</u> |

HARDWOOD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****24. PENSION COMMITMENTS****Defined contribution schemes**

The group operates a defined contribution pension scheme for all qualifying employees.

The charge to profit and loss in respect of defined contribution schemes was £114,196 (2021: £218,548).

Included in creditors is £18,337 (2021: £23,945) of unpaid pension contributions at the year end.

25. RELATED PARTY DISCLOSURES

Triad Timber Components Limited (TT), Dover Trussed Roof Company Limited (DT), Calldene Limited (CA) and Trade Fabrications Systems Limited (TF) are wholly owned subsidiaries of Hardwood Limited (HA). In 2021 Pinewood Structures Limited (PS) was a wholly owned subsidiary for part of the year up to 18th December 2020. The transactions and balance between the group companies during the year were as follows:

| | 31.03.2022 £ | 31.03.2021 £ |
|---|-----------------|-----------------|
| Inter - group transactions during the year: | | |
| Property rental from CA to TT | 78,000 | Nil |
| Management charges from TT to DT | 85,000 | 85,000 |
| Management charges from HA to TF | 50,000 | 41,667 |
| Trade purchases from TT to DT | 641,363 | 290,415 |
| Trade purchases from DT to TT | 514,338 | 118,273 |
| Trade purchases from TT to PS | Nil | 2,179 |
| Trade Purchases from PS to TT | Nil | Nil |
| 5% Interest on Loan from HA to PS | Nil | 27,548 |
| Inter-group balances at the year end: | | |
| Owed to DT by TT (Trading) | 228,608 | 15,032 |
| Owed to TT from DT (Trading) | 109,156 | 136,307 |
| Owed to HA from PS (Loan) | Nil | Nil |
| Owed to HA from PS (Interest) | Nil | Nil |
| Owed to HA from TF (Prepayments) | 50,000 | 50,000 |
| Owed to TF by HA (Loan) | 450,000 | Nil |
| Owed to HA by CA (Loan) | 293,280 | Nil |
| Transactions with Directors: | | |
| 3% Interest on loan from MJ Meyer to HA | 6,600 | 19,335 |
| Owed to MJ Meyer by HA (Loan) | 220,000 | 220,000 |

26. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.