

Company Registration No. 02110640 (England and Wales)

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2022

tc accounts • tax • legal • financial planning

St Matthew's House
Quays Office Park
Conference Avenue
Portishead
Bristol

BS20 7LZ

MONDAY



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27/02/2023
COMPANIES HOUSE

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

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RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

COMPANY INFORMATION

Directors Mr T D Wood
Mrs S G M Harrisingh
Mr J A G Routley

Secretary Mr T D Wood

Company number 02110640

Registered office Unit 3 Crown Road
Warmley
Bristol
BS30 8JJ

Auditor TC Group
St Matthew's House
Quays Office Park
Conference Avenue
Portishead
Bristol
BS20 7LZ

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2022

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

Review of the business

The group has expanded the range of products & services since 2021 year end. The core focus and largest element of the group remains wholesale and distributes glass and plastic bottles, jars, containers, lids and associated packaging to the food, drink, pharmaceutical, chemical and retail industry predominantly in the UK. Via acquisition of businesses in 2021 and 2022 the group has moved into retail products and equipment.

2021/22 has been a challenging year with the continued disruption of COVID-19 and the start of economic uncertainty in the post Covid period. The Directors would like to express gratitude for the resilience, flexibility and professionalism of the entire team at Rawlings in the way they reacted to the crisis. The Directors would also like to express thanks to the group's customers for their understanding and support during these difficult times.

The hybrid model adopted during Covid has remained in most of our sites. The group has gradually brought staff back into the office. Some functions have remained in a home working setting. This has allowed the group to grow head count within existing office capacity.

During the year demand for products has been quite difficult to predict. Both customer and consumer spending has been unstable as certain products have been stock-piled. With retailers and producers unsure of long-term demands.

As last year we have increased stock levels to ensure a consistent supply to the customers which involved acquiring developing warehouse space – increase capacity via racking and mezzanine levels at some sites.

E-commerce business has performed poorly, due to a reduction in home and hobby producers. This seems to be a market trend associated with the end of previous lockdown.

Principle risks and uncertainties

The impact of the high interest rates, high inflation and the risk of recession is our biggest risk. Customers are delaying capital projects. To mitigate this risk we have diversified further into service with recurring revenue – such as equipment servicing. The strong relationship with suppliers, increased warehouse capacity and stock levels will minimise this ongoing risk.

Brexit has also impacted on the availability of staff in some areas of the business. A review of salary levels and increased investment in automation has already started to improve this area during 2021/22.

The risk of bad debt is higher than most years. Constant review of the debtor ledger and ongoing credit limit reviews using external reference agencies have insulated the business from any major issues.

Future developments

The group continues to invest in organic and acquisitions. We have a pipeline of several potential businesses who will add to our current portfolio of products and services and fill the gaps within our customer base.

The group will continue to grow organically through a strong customer focus, product knowledge and trusted advice about their particular marketplace.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

Key performance indicators

The Directors monitor the business through a mixture of financial and non-financial key performance indicators. The shareholders consider that key performance indicators to be financial with the emphasis on EBITDA which allows ongoing investment in people, technology and growth both organically and through acquisition. Earnings before interest, taxation, depreciation and amortisation for the period was £882,539 (2021: £1,184,179).

The group continues to avoid a significant proportion of business being dependant on a few large, low margin customers. Acquisitions and continuing investment in online customers helps to mitigate this exposure.

The last 3 years trading demonstrates the slowing of growth in turnover but a significant increase in profitability which is a sustainable platform for stability and future investment.

| | Growth % 2021-22 | Growth % 2020-21 | Growth % 2019-20 |
|-----------------------|------------------|------------------|------------------|
| Turnover | 26.34% | 0.43% | -3.55% |
| Gross Profit | 23.05% | 6.68% | 76.64% |
| Net Profit before tax | -32.57% | -13.36% | 129.03% |

Shareholders

This report was approved by the board and its shareholders and is produced on their behalf.

On behalf of the board



Mr T D Wood

Director

27 February 2023

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

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

Principal activities

The principal activity of the company and group continued to be that of the wholesale of packaging supplies and the sale and installation of production equipment to the drinks industry.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T D Wood
Mrs S G M Harrisingh
Mr J A G Routley

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that TC Group be reappointed as auditor of the group will be put at a General Meeting.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to be 'T D Wood', written over a horizontal line.

Mr T D Wood
Director

27 February 2023

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

Qualified Opinion

We have audited the financial statements of Rawlings & Son (Bristol) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 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 did not observe the counting of physical inventories at the end of the year to 31st May 2020 due to Covid-19 restrictions. We were unable to satisfy ourselves by alternative means concerning the inventory quantities of £1,558,517 held at 31st May 2020 by using other audit procedures. Consequently we were unable to determine whether any adjustments to this amount at 31st May 2020 was necessary or whether there was a consequential effect on the cost of sales for the year ended 31st May 2021.

Our opinion on the financial statements for the year ended 31st May 2020 was modified accordingly because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's 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 qualified opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.

Except for the possible effect of the matter described in the basis for qualified opinion, we have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effect on the corresponding figures of the matter described in the basis of qualified opinion section of our report, based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our audit report, 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 strategic report and the directors' report.

Arising solely from the limitation on the scope of opening balance work relating to inventory referred to above we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Amanda Kruger FCCA - Senior Statutory Auditor
for and on behalf of TC Group
St Matthew's House
Quays Office Park
Conference Avenue
Portishead
BS20 7LZ

Statutory Auditor

27 February 2023

Office: Portishead

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2022

| | Notes | 2022 £ | 2021 £ |
|---------------------------------------------------|-------|------------------|------------------|
| Turnover | 3 | 21,132,780 | 16,726,462 |
| Cost of sales | | (16,874,665) | (13,265,915) |
| Gross profit | | 4,258,115 | 3,460,547 |
| Administrative expenses | | (3,788,484) | (2,733,264) |
| Other operating income | | 76,536 | 83,150 |
| Operating profit | 4 | 546,167 | 810,433 |
| Interest receivable and similar income | 8 | 99 | - |
| Interest payable and similar expenses | 9 | (371) | (818) |
| Profit before taxation | | 545,895 | 809,615 |
| Tax on profit | 10 | (131,506) | (160,213) |
| Profit for the financial year | | 414,389 | 649,402 |
| Profit for the financial year is attributable to: | | | |
| - Owners of the parent company | | 418,181 | 649,402 |
| - Non-controlling interests | | (3,792) | - |
| | | 414,389 | 649,402 |

The notes on pages 19 to 40 form part of these financial statements

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2022

| | 2022 | 2021 |
|-------------------------------------------------------------|----------------|----------------|
| | £ | £ |
| Profit for the year | 414,389 | 649,402 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>414,389</u> | <u>649,402</u> |
| Total comprehensive income for the year is attributable to: | | |
| - Owners of the parent company | 418,181 | 649,402 |
| - Non-controlling interests | <u>(3,792)</u> | <u>-</u> |
| | <u>414,389</u> | <u>649,402</u> |

The notes on pages 19 to 40 form part of these financial statements

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MAY 2022

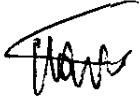
| | Notes | 2022 | | 2021 | |
|----------------------------------------------------------------|-------|-------------|-----------|-------------|-----------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Goodwill | 12 | | 2,247,808 | | 1,613,697 |
| Other intangible assets | 12 | | 200,747 | | 27,589 |
| | | | | | |
| Total intangible assets | | | 2,448,555 | | 1,641,286 |
| Tangible assets | 13 | | 397,531 | | 251,253 |
| | | | | | |
| | | | 2,846,086 | | 1,892,539 |
| Current assets | | | | | |
| Stocks | 16 | 3,528,299 | | 1,841,603 | |
| Debtors | 17 | 3,266,474 | | 2,377,261 | |
| Cash at bank and in hand | | 506,943 | | 739,612 | |
| | | | | | |
| | | | 7,301,716 | | 4,958,476 |
| Creditors: amounts falling due within one year | 18 | (4,568,550) | | (2,396,872) | |
| | | | | | |
| Net current assets | | | 2,733,166 | | 2,561,604 |
| | | | | | |
| Total assets less current liabilities | | | 5,579,252 | | 4,454,143 |
| | | | | | |
| Creditors: amounts falling due after more than one year | 19 | | (680,000) | | - |
| | | | | | |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 21 | 81,412 | | 46,692 | |
| | | | (81,412) | | (46,692) |
| | | | | | |
| Net assets | | | 4,817,840 | | 4,407,451 |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 23 | | 1,000 | | 1,000 |
| Capital redemption reserve | | | 20 | | 20 |
| Profit and loss reserves | | | 4,820,612 | | 4,406,431 |
| | | | | | |
| Equity attributable to owners of the parent company | | | 4,821,632 | | 4,407,451 |
| Non-controlling interests | | | (3,792) | | - |
| | | | | | |
| | | | 4,817,840 | | 4,407,451 |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2022

The financial statements were approved by the board of directors and authorised for issue on 27 February 2023 and are signed on its behalf by:



Mr T D Wood
Director

The notes on pages 19 to 40 form part of these financial statements

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MAY 2022

| | Notes | 2022 £ | 2021 £ |
|----------------------------------------------------------------|-------|--------------------|--------------------|
| Fixed assets | | | |
| Goodwill | 12 | 12,400 | 18,600 |
| Tangible assets | 13 | 38,836 | 40,906 |
| Investments | 14 | 3,831,521 | 2,113,571 |
| | | <u>3,882,757</u> | <u>2,173,077</u> |
| Current assets | | | |
| Cash at bank and in hand | | 9,128 | 9,129 |
| Creditors: amounts falling due within one year | 18 | (2,529,683) | (1,491,708) |
| Net current liabilities | | <u>(2,520,555)</u> | <u>(1,482,579)</u> |
| Total assets less current liabilities | | <u>1,362,202</u> | <u>690,498</u> |
| Creditors: amounts falling due after more than one year | 19 | (680,000) | - |
| Provisions for liabilities | | | |
| Deferred tax liability | 21 | 7,379 | 7,772 |
| | | <u>(7,379)</u> | <u>(7,772)</u> |
| Net assets | | <u>674,823</u> | <u>682,726</u> |
| Capital and reserves | | | |
| Called up share capital | 23 | 1,000 | 1,000 |
| Profit and loss reserves | | 673,823 | 681,726 |
| Total equity | | <u>674,823</u> | <u>682,726</u> |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £7,903 (2021 - £279,720 profit).

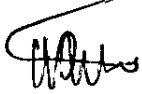
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2022

The financial statements were approved by the board of directors and authorised for issue on 27 February 2023 and are signed on its behalf by:



Mr T D Wood
Director

Company Registration No. 02110640

The notes on pages 19 to 40 form part of these financial statements

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2022

| | Notes | Share capital £ | Capital redemption loss reserve £ | Profit and reserves £ | Total controlling interest £ | Non- controlling interest £ | Total £ |
|----------------------------------------------------|-------|--------------------|--------------------------------------------|-----------------------------|---------------------------------------|--------------------------------------|------------|
| Balance at 1 June 2020 | | 1,000 | 20 | 4,057,029 | 4,058,049 | - | 4,058,049 |
| Year ended 31 May 2021: | | | | | | | |
| Profit and total comprehensive income for the year | | - | - | 649,402 | 649,402 | - | 649,402 |
| Dividends | 11 | - | - | (300,000) | (300,000) | - | (300,000) |
| Balance at 31 May 2021 | | 1,000 | 20 | 4,406,431 | 4,407,451 | - | 4,407,451 |
| Year ended 31 May 2022: | | | | | | | |
| Profit and total comprehensive income for the year | | - | - | 418,181 | 418,181 | (3,792) | 414,389 |
| Dividends | 11 | - | - | (4,000) | (4,000) | - | (4,000) |
| Balance at 31 May 2022 | | 1,000 | 20 | 4,820,612 | 4,821,632 | (3,792) | 4,817,840 |

The notes on pages 19 to 40 form part of these financial statements

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2022

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|----------------------------------------------------|-----------|--------------------|----------------------------------|------------|
| Balance at 1 June 2020 | | 1,000 | 702,006 | 703,006 |
| Year ended 31 May 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 279,720 | 279,720 |
| Dividends | 11 | - | (300,000) | (300,000) |
| Balance at 31 May 2021 | | 1,000 | 681,726 | 682,726 |
| Year ended 31 May 2022: | | | | |
| Loss and total comprehensive income for the year | | - | (7,903) | (7,903) |
| Balance at 31 May 2022 | | 1,000 | 673,823 | 674,823 |

The notes on pages 19 to 40 form part of these financial statements

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---------------------------------------------------------------|-------|-----------|---|-----------|---|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 28 | 525,917 | | 897,862 | |
| Interest paid | | (371) | | (818) | |
| Income taxes paid | | (173,933) | | (165,843) | |
| Net cash inflow from operating activities | | 351,613 | | 731,201 | |
| Investing activities | | | | | |
| Cash acquired on acquisitions | | 387,729 | | 98,634 | |
| Purchase of subsidiaries | | (622,950) | | (425,452) | |
| Purchase of intangible assets | | (230,684) | | - | |
| Proceeds on disposal of intangibles | | - | | (18,000) | |
| Purchase of tangible fixed assets | | (206,788) | | (126,273) | |
| Interest received | | 99 | | - | |
| Net cash used in investing activities | | (672,594) | | (471,091) | |
| Financing activities | | | | | |
| Proceeds from borrowings | | 92,312 | | - | |
| Dividends paid to equity shareholders | | (4,000) | | (300,000) | |
| Net cash generated from/(used in) financing activities | | 88,312 | | (300,000) | |
| Net decrease in cash and cash equivalents | | (232,669) | | (39,890) | |
| Cash and cash equivalents at beginning of year | | 739,612 | | 779,502 | |
| Cash and cash equivalents at end of year | | 506,943 | | 739,612 | |

The notes on pages 19 to 40 form part of these financial statements

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

Company information

Rawlings & Son (Bristol) Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 3, Crown Road, Warmley, Bristol, England, BS30 8JJ.

The group consists of Rawlings & Son (Bristol) Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

The reporting date of all mid year acquisitions were brought into line with the parent company and then consolidated into the group. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Rawlings & Son (Bristol) Holdings Limited together with all entities controlled by the parent company (its subsidiaries).

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies (Continued)

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of installation services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is:

- Acquisition of a business in 2014, is being amortised evenly over its estimated useful life of 5 years
- Acquisition of a business in 2019, is being amortised evenly over its estimated useful life of 10 years
- Acquisition of a business in 2021, is being amortised evenly over its estimated useful life of 10 years
- Acquisition of a business in 2022, is being amortised evenly over its estimated useful life of 10 years

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|----------|---------|
| Software | 5 years |
|----------|---------|

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|-------------------------|
| Freehold land and buildings | 25% on straight line |
| Leasehold improvements | 25% on straight line |
| Plant and equipment | 15% reducing balance |
| Fixtures and fittings | 15% reducing balance |
| Computers | 25% on reducing balance |
| Motor vehicles | 25% reducing balance |
| Moulds | 10% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost is calculated using the first in first out method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

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

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Rawlings & Sons (Bristol) Holdings Ltd consider the following judgements and estimates to have had the most significant effect on amounts recognised in the financial statements.

i) Useful economic lives of tangible fixed assets

The useful economic lives of tangible fixed assets, their residual values and the impairment reviews is a significant area requiring management judgement. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other relevant factors.

ii) Useful economic lives of intangible fixed assets

The useful economic lives of intangible fixed assets, their residual values and the impairment reviews is a significant area requiring management judgement. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other relevant factors.

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

3 Turnover and other revenue

| | 2022 | 2021 |
|----------------------------------|-------------------|-------------------|
| | £ | £ |
| Other significant revenue | | |
| Interest income | 99 | - |
| Grants received | 2,500 | 19,848 |
| Rental income | 56,592 | 56,802 |
| Sundry income | - | 6,500 |
| | <u> </u> | <u> </u> |

Government grants related to amounts received under the Job Retention Scheme in response to the Covid 19 pandemic.

4 Operating profit

| | 2022 | 2021 |
|----------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | 206 | 32 |
| Research and development costs | 12,377 | (378) |
| Government grants | (2,500) | (19,848) |
| Depreciation of owned tangible fixed assets | 60,509 | 45,076 |
| Amortisation of intangible assets | 275,863 | 169,021 |
| Operating lease charges | 353,179 | 319,138 |
| | <u> </u> | <u> </u> |

5 Auditor's remuneration

| | 2022 | 2021 |
|------------------------------------------------------------|-------------------|-------------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 15,000 | 15,000 |
| | <u> </u> | <u> </u> |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

| | Group 2022 Number | 2021 Number | Company 2022 Number | 2021 Number |
|-------------|-------------------------|----------------|---------------------------|----------------|
| Management | 13 | 12 | - | - |
| Admin | 38 | 23 | - | - |
| Warehouse | 20 | 15 | - | - |
| Engineering | 7 | - | - | - |
| Total | 78 | 50 | - | - |

Their aggregate remuneration comprised:

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-----------------------|--------------------|-----------|----------------------|-----------|
| Wages and salaries | 2,050,111 | 1,514,485 | - | - |
| Social security costs | 160,499 | 146,925 | - | - |
| Pension costs | 86,219 | 77,886 | - | - |
| | 2,296,829 | 1,739,296 | - | - |

7 Directors' remuneration

| | 2022 £ | 2021 £ |
|---------------------------------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 254,251 | 161,481 |
| Company pension contributions to defined contribution schemes | 42,384 | 9,251 |
| | 296,635 | 170,732 |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

8 Interest receivable and similar income

| | 2022 | 2021 |
|---------------------------|-----------|----------|
| | £ | £ |
| Interest income | | |
| Interest on bank deposits | 68 | - |
| Other interest income | 31 | - |
| | <u>99</u> | <u>-</u> |
| Total income | <u>99</u> | <u>-</u> |

Investment income includes the following:

| | | |
|--------------------------------------------------------------------------------|-----------|----------|
| Interest on financial assets not measured at fair value through profit or loss | 68 | - |
| | <u>68</u> | <u>-</u> |

9 Interest payable and similar expenses

| | 2022 | 2021 |
|----------------------------------------------------------------------|------------|------------|
| | £ | £ |
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | - | 7 |
| Other finance costs: | | |
| Other interest | 371 | 811 |
| | <u>371</u> | <u>818</u> |
| Total finance costs | <u>371</u> | <u>818</u> |

10 Taxation

| | 2022 | 2021 |
|------------------------------------------------------|----------------|----------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | 112,310 | 144,380 |
| | <u>112,310</u> | <u>144,380</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 19,196 | 15,833 |
| | <u>19,196</u> | <u>15,833</u> |
| Total tax charge | <u>131,506</u> | <u>160,213</u> |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2022 | 2021 |
|------------------------------------------------------------------------------------------------------|-------------|-------------|
| | £ | £ |
| Profit before taxation | 545,895 | 809,615 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 103,720 | 153,827 |
| Tax effect of expenses that are not deductible in determining taxable profit | 6,778 | 6,490 |
| Permanent capital allowances in excess of depreciation | (52,382) | (20,537) |
| Amortisation on assets not qualifying for tax allowances | 48,408 | 32,520 |
| Research and development tax credit | - | (27,920) |
| Deferred tax | 19,196 | 15,833 |
| Under/(over) provided in current year | 790 | - |
| Losses not group relieved | 4,720 | - |
| Tax on unrelieved profit in inventory | 276 | - |
| Taxation charge | 131,506 | 160,213 |

11 Dividends

| | 2022 | 2021 |
|------------------------------------------------|-------------|-------------|
| | £ | £ |
| Recognised as distributions to equity holders: | | |
| Interim paid | 4,000 | 300,000 |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

12 Intangible fixed assets

| Group | Goodwill | Software | Total |
|------------------------------------|-----------|----------|-----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 June 2021 | 1,863,637 | 56,527 | 1,920,164 |
| Additions - separately acquired | - | 230,684 | 230,684 |
| Additions - business combinations | 852,448 | - | 852,448 |
| At 31 May 2022 | 2,716,085 | 287,211 | 3,003,296 |
| Amortisation and impairment | | | |
| At 1 June 2021 | 249,940 | 28,938 | 278,878 |
| Amortisation charged for the year | 218,337 | 57,526 | 275,863 |
| At 31 May 2022 | 468,277 | 86,464 | 554,741 |
| Carrying amount | | | |
| At 31 May 2022 | 2,247,808 | 200,747 | 2,448,555 |
| At 31 May 2021 | 1,613,697 | 27,589 | 1,641,286 |
| Company | | | Goodwill |
| | | | £ |
| Cost | | | |
| At 1 June 2021 and 31 May 2022 | | | 31,000 |
| Amortisation and impairment | | | |
| At 1 June 2021 | | | 12,400 |
| Amortisation charged for the year | | | 6,200 |
| At 31 May 2022 | | | 18,600 |
| Carrying amount | | | |
| At 31 May 2022 | | | 12,400 |
| At 31 May 2021 | | | 18,600 |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

13 Tangible fixed assets

| Group | Freehold land and buildings | Leasehold improvements | Plant and equipment | Fixtures and fittings | Computers | Motor vehicles | Moulds | Total |
|------------------------------------|--------------------------------|---------------------------|------------------------|--------------------------|-----------|----------------|---------|---------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | | | |
| At 1 June 2021 | - | - | 124,240 | 132,645 | 399 | 78,858 | 84,084 | 420,226 |
| Additions | - | 862 | 11,319 | 40,495 | - | 36,752 | 28,846 | 118,274 |
| Business combinations | 540 | - | 38,290 | 29,333 | - | 20,351 | - | 88,514 |
| At 31 May 2022 | 540 | 862 | 173,849 | 202,473 | 399 | 135,961 | 112,930 | 627,014 |
| Depreciation and impairment | | | | | | | | |
| At 1 June 2021 | - | - | 36,442 | 91,918 | 399 | 24,774 | 15,441 | 168,974 |
| Depreciation charged in the year | 93 | 72 | 13,272 | 15,199 | - | 20,580 | 11,293 | 60,509 |
| At 31 May 2022 | 93 | 72 | 49,714 | 107,117 | 399 | 45,354 | 26,734 | 229,483 |
| Carrying amount | | | | | | | | |
| At 31 May 2022 | 447 | 790 | 124,135 | 95,356 | - | 90,607 | 86,196 | 397,531 |
| At 31 May 2021 | - | - | 87,799 | 40,727 | - | 54,084 | 68,643 | 251,253 |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

| Company | Plant and equipment £ |
|------------------------------------|-----------------------------|
| Cost | |
| At 1 June 2021 and 31 May 2022 | 51,726 |
| Depreciation and impairment | |
| At 1 June 2021 | 10,821 |
| Depreciation charged in the year | 2,069 |
| At 31 May 2022 | 12,890 |
| Carrying amount | |
| At 31 May 2022 | 38,836 |
| At 31 May 2021 | 40,906 |

14 Fixed asset investments

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|----------------------|--------------------|-----------|----------------------|-----------|
| Unlisted investments | - | - | 3,831,521 | 2,113,571 |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

14 Fixed asset investments (Continued)

| Movements in fixed asset investments | |
|---------------------------------------------|-------------------------------------------|
| Company | Investments other than loans £ |
| Cost or valuation | |
| At 1 June 2021 | 2,113,571 |
| Additions | 1,717,950 |
| | <u> </u> |
| At 31 May 2022 | 3,831,521 |
| | <u> </u> |
| Carrying amount | |
| At 31 May 2022 | 3,831,521 |
| | <u> </u> |
| At 31 May 2021 | 2,113,571 |
| | <u> </u> |

15 Subsidiaries

Details of the company's subsidiaries at 31 May 2022 are as follows:

| Name of undertaking | Registered office | Class of shares held | % Held | |
|----------------------------------------|----------------------------------------------------------------------------|-----------------------------|---------------|-----------------|
| | | | Direct | Indirect |
| Rutland Preserves Limited | Unit 3 Crown Road, Warmley, Bristol, England, BS30 8JJ | Ordinary | - | 100.00 |
| Big Brown Carrier Bag Supplier Limited | Unit 1 Durham Way, Heathpark Industrial Estate, Honiton, England, EX14 1SQ | Ordinary | - | 100.00 |
| Rawlings & Son (Bristol) Limited | Unit 3 Crown Road, Warmley, Bristol, England, BS30 8JJ | Ordinary | 100.00 | - |
| Vigo Limited | Dunkeswell, Honiton, Devon, EX14 4LF | Ordinary | - | 100.00 |
| Vigo Holdings Limited | Dunkeswell, Honiton, Devon, United Kingdom, EX14 4LF | Ordinary | 100.00 | - |
| Many Hands Brewery Limited | The Airfield, Dunkeswell, Honiton, Devon, United Kingdom, EX14 4LF | Ordinary | - | 65.00 |

The following subsidiaries of the parent company are exempt from audit under Section 479A of the Companies Act as the parent undertaking guarantees all outstanding liabilities to which the subsidiary companies are subject at the end of the financial year:

- Rutland Preserves Limited
- Big Brown Carrier Bag Suppliers Limited
- Vigo Limited
- Vigo Holdings Limited
- Many Hands Brewery Limited

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

16 Stocks

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-------------------------------------|--------------------|-----------|----------------------|-----------|
| Finished goods and goods for resale | 3,528,299 | 1,841,603 | - | - |

17 Debtors

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|--------------------------------------|--------------------|-----------|----------------------|-----------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 2,691,325 | 2,017,664 | - | - |
| Other debtors | 346,400 | 228,460 | - | - |
| Prepayments and accrued income | 228,749 | 131,137 | - | - |
| | 3,266,474 | 2,377,261 | - | - |

18 Creditors: amounts falling due within one year

| | Notes | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|------------------------------------|-------|--------------------|-----------|----------------------|-----------|
| Other borrowings | 20 | 92,312 | - | - | - |
| Trade creditors | | 2,130,292 | 1,602,180 | - | - |
| Amounts owed to group undertakings | | - | - | 2,114,184 | 1,491,208 |
| Corporation tax payable | | 198,169 | 164,098 | - | - |
| Other taxation and social security | | 492,418 | 269,684 | - | - |
| Other creditors | | 1,482,195 | 257,194 | 415,000 | - |
| Accruals and deferred income | | 173,164 | 103,716 | 499 | 500 |
| | | 4,568,550 | 2,396,872 | 2,529,683 | 1,491,708 |

19 Creditors: amounts falling due after more than one year

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-----------------|--------------------|-----------|----------------------|-----------|
| Other creditors | 680,000 | - | 680,000 | - |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

20 Loans and overdrafts

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-------------------------|--------------------|-----------|----------------------|-----------|
| Other loans | 92,312 | - | - | - |
| | <u>92,312</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Payable within one year | 92,312 | - | - | - |
| | <u>92,312</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The trade finance borrowings are due for repayment within 4 months of the year-end.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

| | Liabilities 2022 £ | Liabilities 2021 £ |
|-----------------------------------|--------------------------|--------------------------|
| Group | | |
| Accelerated capital allowances | 81,412 | 46,692 |
| | <u>81,412</u> | <u>46,692</u> |
| | Liabilities 2022 £ | Liabilities 2021 £ |
| Company | | |
| Accelerated capital allowances | 7,379 | 7,772 |
| | <u>7,379</u> | <u>7,772</u> |
| | Group 2022 £ | Company 2022 £ |
| Movements in the year: | | |
| Liability at 1 June 2021 | 46,692 | 7,772 |
| Charge/(credit) to profit or loss | 34,720 | (393) |
| | <u>81,412</u> | <u>7,379</u> |
| Liability at 31 May 2022 | 81,412 | 7,379 |
| | <u>81,412</u> | <u>7,379</u> |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

22 Retirement benefit schemes

| | 2022 | 2021 |
|---------------------------------------------------------------------|-------------|-------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 86,219 | 77,886 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

| | 2022 | 2021 | 2022 | 2021 |
|-------------------------------|---------------|---------------|-------------|-------------|
| | Number | Number | £ | £ |
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| 1,000 Ordinary of £1 each | 1,000 | 1,000 | 1,000 | 1,000 |

24 Acquisition of a business

On 4 January 2022 the group acquired 100 percent of the issued capital of Vigo Holdings Limited (Group).

| | Book Value | Adjustments | Fair Value |
|-------------------------------|-------------------|--------------------|-------------------|
| | £ | £ | £ |
| Net assets acquired | | | |
| Property, plant and equipment | 95,905 | - | 95,905 |
| Inventories | 909,611 | - | 909,611 |
| Trade and other receivables | 252,671 | - | 252,671 |
| Cash and cash equivalents | 387,729 | - | 387,729 |
| Trade and other payables | (764,891) | - | (764,891) |
| Deferred tax | (15,523) | - | (15,523) |
| Total identifiable net assets | 865,502 | - | 865,502 |
| Goodwill | | | 852,448 |
| Total consideration | | | 1,717,950 |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

24 Acquisition of a business

(Continued)

| | |
|-------------------------------------|------------------|
| The consideration was satisfied by: | £ |
| Cash | 595,000 |
| Deferred consideration | 1,095,000 |
| Stamp Duty | 8,450 |
| Legal fees | 19,500 |
| | <u>1,717,950</u> |

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

| | |
|----------------|-----------------|
| | £ |
| Turnover | 1,202,223 |
| Loss after tax | <u>(17,822)</u> |

Goodwill represents the excess of the fair value over the book value of the net assets on acquisition of the subsidiary. This goodwill has an indeterminable useful life, and so, is not amortised but is tested annually for impairment.

Vigo Holdings Limited (Group) contains the acquisition of the following subsidiaries:

- Vigo Holdings Limited (100% direct shareholding)
- Vigo Limited (100% indirect shareholding)
- Many Hands Brewery Limited (65% indirect shareholding)

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | Group | | Company | |
|----------------------------|----------------|----------------|----------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Within one year | 182,093 | 137,350 | - | - |
| Between two and five years | 232,207 | 313,355 | - | - |
| | <u>414,300</u> | <u>450,705</u> | <u>-</u> | <u>-</u> |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

26 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

| | Purchase of services | |
|----------------------------------------------|-----------------------------|--------------|
| | 2022 | 2021 |
| | £ | £ |
| Group | | |
| Entities which director has control | 7,829 | 7,829 |
| Entities which director provides services to | 40,300 | - |
| | <u>48,129</u> | <u>7,829</u> |

The balance owed to related parties at the year-end was £607.

27 Controlling party

The ultimate controlling party are the directors.

28 Cash generated from group operations

| | 2022 | 2021 |
|------------------------------------------------------|----------------|----------------|
| | £ | £ |
| Profit for the year after tax | 414,389 | 649,402 |
| Adjustments for: | | |
| Taxation charged | 131,506 | 160,213 |
| Finance costs | 371 | 818 |
| Investment income | (99) | - |
| Amortisation and impairment of intangible assets | 275,863 | 169,021 |
| Depreciation and impairment of tangible fixed assets | 60,509 | 45,076 |
| Movements in working capital: | | |
| Increase in stocks | (1,686,696) | (189,407) |
| (Increase)/decrease in debtors | (889,213) | 199,738 |
| Increase/(decrease) in creditors | 2,616,677 | (137,001) |
| Acquisition of working capital | (397,391) | - |
| | <u>525,916</u> | <u>897,860</u> |
| Cash generated from operations | <u>525,916</u> | <u>897,860</u> |

RAWLINGS & SON (BRISTOL) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

29 Cash generated from/(absorbed by) operations - company

| | 2022 | 2021 |
|------------------------------------------------------|------------------|----------------|
| | £ | £ |
| (Loss)/profit for the year after tax | (7,903) | 279,720 |
| Adjustments for: | | |
| Taxation credited | (393) | (393) |
| Investment income | - | (300,000) |
| Amortisation and impairment of intangible assets | 6,200 | 12,400 |
| Depreciation and impairment of tangible fixed assets | 2,069 | 2,069 |
| Movements in working capital: | | |
| Decrease in debtors | - | 680 |
| Increase/(decrease) in creditors | 1,717,975 | (499) |
| Cash generated from/(absorbed by) operations | 1,717,948 | (6,023) |

30 Analysis of changes in net funds - group

| | 1 June 2021 | Cash flows | 31 May 2022 |
|---------------------------------|--------------------|-------------------|--------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 739,612 | (232,669) | 506,943 |
| Borrowings excluding overdrafts | - | (92,317) | (92,312) |
| | 739,612 | (324,981) | 414,631 |

31 Analysis of changes in net funds - company

| | 1 June 2021 | Cash flows | 31 May 2022 |
|--------------------------|--------------------|-------------------|--------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 9,129 | (1) | 9,128 |