

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
FOR
DIRECT PRESS MARKETING LIMITED**

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

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DIRECT PRESS MARKETING LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

DIRECTORS:

D Beckett
D M Grace
M S Sheldrick

SECRETARY:

M S Sheldrick

REGISTERED OFFICE:

6 Churchill Court
Hortons Way
Westerham
Kent
TN16 1BT

REGISTERED NUMBER:

03613183 (England and Wales)

AUDITORS:

McKenzies
Chartered Accountants
Statutory Auditors
2 Station Road West
Oxted
Surrey
RH8 9EP

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

The Strategic Report provides a review of the business for the financial year and describes how we manage risks within the business. The report outlines the developments and performance of the Company during the financial year and discusses the main trends and factors that could affect the future.

REVIEW OF BUSINESS

The principle of activity of the company was that of supplying equipment to the graphic arts industry, in particular that of used printing presses and ancillary equipment. The company offers equipment to the market either as a principal, buying and selling on its own account, or as an agent for other owners of equipment.

The Directors are satisfied with the current performance of the company. The 2022 trading year saw an increase in turnover as the impacts of the coronavirus pandemic unwound, and the company remained very competitive and has maintained its profit margins by selecting optimum trading opportunities and conservative budget forecasting. They are confident that the Company continues to be perceived in the industry, both at home and overseas, as one of the major suppliers of quality used graphic machinery.

COVID-19

At the time of this review, the Directors wish to highlight the coronavirus pandemic and how this has impacted the 2022 trading year and will likely impact on future revenues and profits of the company. The Directors believe they have acted responsibly in the face of unprecedented risks, supporting staff, maintaining safety and maintaining key customer relationships at this critical time. The company had begun to explore other areas for revenue generation, but the company's joint venture activities are still strong. However, no sector is immune from being impacted and the company remains open to work in all sectors wherever it can balance risk. It is envisaged that 2023 revenue will improve on the 2022 figures and the business is expected to continue to grow and be profitable as the underlying strength of the company remains undiminished.

The key financial performance indicators for the year ended 31 March 2022 are set out below:

Turnover:	2022: £17.06m	2021: £13.18m
Gross Profit:	2022: £1.45m	2021: £1.02m
EBITDA:	2022: £0.49m	2021: £0.25m

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have a strong emphasis on risk management which endeavours to identify and manage all business risks.

Strategic and Commercial Risk

There are risks of changes to the competitive and economic environment. This is mitigated by a robust strategy and planning process, and regular monitoring of the economic and competitive environment.

Financial Risk

There is a risk of reducing business value or earning capacity as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows and close relationships with importance stakeholders within the business.

Operational Risk

This is a risk of losses arising from inadequate or failed internal processes, from personnel and external events. These are mitigated by regularly monitoring the business risk register against occurring events and business continuity planning.

ON BEHALF OF THE BOARD:

M S Sheldrick - Director

2 August 2022

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

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

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary B 0.01 shares £51.31 , Ordinary C 0.01 shares £10.35.

The directors recommend that no final dividends be paid. The total distribution of dividends for the year ended 31 March 2022 will be £349,091.

DIRECTORS

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

D Beckett
D M Grace
M S Sheldrick

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

M S Sheldrick - Director

2 August 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIRECT PRESS MARKETING LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIRECT PRESS MARKETING LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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
DIRECT PRESS MARKETING 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.

Colin McCoy BA FCA (Senior Statutory Auditor)
for and on behalf of McKenzies
Chartered Accountants
Statutory Auditors
2 Station Road West
Oxted
Surrey
RH8 9EP

2 August 2022

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

	Notes	2022 £	2021 £
TURNOVER	3	17,609,097	13,179,172
Cost of sales		<u>16,153,400</u>	<u>12,157,239</u>
GROSS PROFIT		1,455,697	1,021,933
Administrative expenses		<u>1,087,697</u>	<u>992,459</u>
		368,000	29,474
Other operating income		<u>3,333</u>	<u>82,355</u>
OPERATING PROFIT	5	371,333	111,829
Interest receivable and similar income		<u>73,127</u>	<u>3,145</u>
		444,460	114,974
Interest payable and similar expenses	6	<u>67,969</u>	<u>20,864</u>
PROFIT BEFORE TAXATION		376,491	94,110
Tax on profit	7	<u>83,466</u>	<u>16,744</u>
PROFIT FOR THE FINANCIAL YEAR		293,025	77,366

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		293,025	77,366
OTHER COMPREHENSIVE INCOME			
Revaluation of freehold property		-	505,700
Income tax relating to other comprehensive income		-	(96,083)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	409,617
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>293,025</u>	<u>486,983</u>

BALANCE SHEET
31 MARCH 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		1,518,735		1,546,237
Investments	10		<u>166,836</u>		<u>202,680</u>
			1,685,571		1,748,917
CURRENT ASSETS					
Stocks	11	2,605,129		2,917,030	
Debtors	12	1,054,710		1,086,237	
Cash at bank and in hand		<u>3,081,175</u>		<u>3,357,876</u>	
		6,741,014		7,361,143	
CREDITORS					
Amounts falling due within one year	13	<u>3,366,554</u>		<u>3,718,429</u>	
NET CURRENT ASSETS			3,374,460		3,642,714
TOTAL ASSETS LESS CURRENT LIABILITIES			5,060,031		5,391,631
CREDITORS					
Amounts falling due after more than one year	14		(1,397,099)		(1,679,819)
PROVISIONS FOR LIABILITIES	17		<u>(101,945)</u>		<u>(94,759)</u>
NET ASSETS			3,560,987		3,617,053
CAPITAL AND RESERVES					
Called up share capital	18		425		425
Capital redemption reserve	19		575		575
Fair value reserve	19		409,617		409,617
Retained earnings	19		<u>3,150,370</u>		<u>3,206,436</u>
SHAREHOLDERS' FUNDS			3,560,987		3,617,053

The financial statements were approved by the Board of Directors and authorised for issue on 2 August 2022 and were signed on its behalf by:

M S Sheldrick - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Total equity £
Balance at 1 April 2020	425	3,444,153	575	-	3,445,153
Changes in equity					
Dividends	-	(315,083)	-	-	(315,083)
Total comprehensive income	-	77,366	-	409,617	486,983
Balance at 31 March 2021	425	3,206,436	575	409,617	3,617,053
Changes in equity					
Dividends	-	(349,091)	-	-	(349,091)
Total comprehensive income	-	293,025	-	-	293,025
Balance at 31 March 2022	425	3,150,370	575	409,617	3,560,987

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	281,939	563,549
Interest paid		(67,969)	(20,864)
Tax paid		(23,628)	(53,810)
Net cash from operating activities		<u>190,342</u>	<u>488,875</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(17,582)	(16,112)
Sale of tangible fixed assets		-	11,390
Sale of fixed asset investments		35,844	50,844
Interest received		73,127	3,145
Net cash from investing activities		<u>91,389</u>	<u>49,267</u>
Cash flows from financing activities			
New loans in year		-	1,750,000
Loan repayments in year		(285,772)	(42,309)
Amount introduced by directors		6,611	132,103
Amount withdrawn by directors		69,820	(174,635)
Equity dividends paid		(349,091)	(315,083)
Net cash from financing activities		<u>(558,432)</u>	<u>1,350,076</u>
(Decrease)/increase in cash and cash equivalents		<u>(276,701)</u>	<u>1,888,218</u>
Cash and cash equivalents at beginning of year	2	3,357,876	1,469,658
Cash and cash equivalents at end of year	2	<u><u>3,081,175</u></u>	<u><u>3,357,876</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	376,491	94,110
Depreciation charges	45,084	41,074
Finance costs	67,969	20,864
Finance income	(73,127)	(3,145)
	<u>416,417</u>	<u>152,903</u>
Decrease in stocks	311,901	937,555
(Increase)/decrease in trade and other debtors	(38,293)	834,760
Decrease in trade and other creditors	(408,086)	(1,361,669)
Cash generated from operations	<u>281,939</u>	<u>563,549</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>3,081,175</u>	<u>3,357,876</u>

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>3,357,876</u>	<u>1,469,658</u>

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	<u>3,357,876</u>	<u>(276,701)</u>	<u>3,081,175</u>
	<u>3,357,876</u>	<u>(276,701)</u>	<u>3,081,175</u>
Debt			
Debts falling due within 1 year	(409,232)	3,052	(406,180)
Debts falling due after 1 year	<u>(1,679,819)</u>	<u>282,720</u>	<u>(1,397,099)</u>
	<u>(2,089,051)</u>	<u>285,772</u>	<u>(1,803,279)</u>
Total	<u>1,268,825</u>	<u>9,071</u>	<u>1,277,896</u>

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

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover represents amounts receivable for goods and services net of Value Added Tax and trade discounts.

Turnover is recognised when the risks and rewards of goods and services are passed to the customer, generally being on delivery.

Tangible fixed assets

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

Freehold property	- 2% on cost
Improvements to property	- at varying rates on cost
Plant and machinery	- 14% - 25% on cost
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase, together with direct materials and sub-contracted services in bringing each item to its present location and condition. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

i) Financial assets

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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 publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow Group companies are classified as debt, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Foreign currencies

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

Leased assets

Where assets are financed under leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit and loss account on a straight-line basis over the lease term.

Reserve premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

3. TURNOVER

Turnover is wholly attributable to the principal activity of the company.

The analysis of turnover by class of business and geographical location has not been provided as, in the opinion of the directors, such disclosure would seriously prejudicial to the interests of the company.

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	494,724	450,071
Social security costs	41,028	32,444
Other pension costs	44,071	145,429
	<u>579,823</u>	<u>627,944</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 20224. **EMPLOYEES AND DIRECTORS - continued**

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

	2022	2021
Management	3	3
Administration	7	7
	<u>10</u>	<u>10</u>

	2022	2021
	£	£
Directors' remuneration	192,696	189,170
Directors' pension contributions to money purchase schemes	<u>41,589</u>	<u>143,189</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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5. **OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Other operating leases	10,266	14,279
Depreciation - owned assets	45,084	41,074
Auditors' remuneration	<u>8,000</u>	<u>8,000</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest	<u>67,969</u>	<u>20,864</u>

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

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	76,280	23,633
Deferred tax	7,186	(6,889)
Tax on profit	<u>83,466</u>	<u>16,744</u>

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

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>376,491</u>	<u>94,110</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	71,533	17,881
Effects of:		
Expenses not deductible for tax purposes	541	1,022
Depreciation in excess of capital allowances	4,206	4,730
Deferred taxation	7,186	(6,889)
Total tax charge	<u>83,466</u>	<u>16,744</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2022.

	Gross £	2021 Tax £	Net £
Revaluation of freehold property	<u>505,700</u>	<u>(96,083)</u>	<u>409,617</u>

8. DIVIDENDS

	2022 £	2021 £
Ordinary B shares of 0.01 each Interim	327,091	293,083
Ordinary C shares of 0.01 each Interim	<u>22,000</u>	<u>22,000</u>
	<u>349,091</u>	<u>315,083</u>

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

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 April 2021	1,675,000	154,372	49,462
Additions	-	-	-
At 31 March 2022	<u>1,675,000</u>	<u>154,372</u>	<u>49,462</u>
DEPRECIATION			
At 1 April 2021	165,304	135,657	49,462
Charge for year	23,189	11,596	-
At 31 March 2022	<u>188,493</u>	<u>147,253</u>	<u>49,462</u>
NET BOOK VALUE			
At 31 March 2022	<u>1,486,507</u>	<u>7,119</u>	-
At 31 March 2021	<u>1,509,696</u>	<u>18,715</u>	-
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 April 2021	-	28,990	1,907,824
Additions	14,193	3,389	17,582
At 31 March 2022	<u>14,193</u>	<u>32,379</u>	<u>1,925,406</u>
DEPRECIATION			
At 1 April 2021	-	11,164	361,587
Charge for year	-	10,299	45,084
At 31 March 2022	<u>-</u>	<u>21,463</u>	<u>406,671</u>
NET BOOK VALUE			
At 31 March 2022	<u>14,193</u>	<u>10,916</u>	<u>1,518,735</u>
At 31 March 2021	<u>-</u>	<u>17,826</u>	<u>1,546,237</u>

Included in cost or valuation of land and buildings is freehold land of £ 149,420 (2021 - £ 149,420) which is not depreciated.

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

9. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 2022 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2021	505,700	-	-
Cost	1,169,300	154,372	49,462
	<u>1,675,000</u>	<u>154,372</u>	<u>49,462</u>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2021	-	-	505,700
Cost	14,193	32,379	1,419,706
	<u>14,193</u>	<u>32,379</u>	<u>1,925,406</u>

10. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
COST	
At 1 April 2021	202,680
Disposals	(35,844)
At 31 March 2022	<u>166,836</u>
NET BOOK VALUE	
At 31 March 2022	<u>166,836</u>
At 31 March 2021	<u>202,680</u>

11. STOCKS

	2022 £	2021 £
Work-in-progress	98,875	141,934
Stock	2,506,254	2,775,096
	<u>2,605,129</u>	<u>2,917,030</u>

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

12. DEBTORS

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	407,418	665,190
Other debtors	190,100	100
Directors' current accounts	79,294	149,114
VAT	-	122,656
Prepayments and accrued income	105,940	149,177
	<u>782,752</u>	<u>1,086,237</u>
Amounts falling due after more than one year:		
Other debtors	271,958	-
Aggregate amounts	<u>1,054,710</u>	<u>1,086,237</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 15)	406,180	409,232
Trade creditors	234,232	184,455
Tax	76,280	23,628
Social security and other taxes	27,264	20,357
VAT	61,429	-
Other creditors	1,168,529	967,808
Directors' current accounts	33,990	27,379
Accruals and deferred income	1,358,650	2,085,570
	<u>3,366,554</u>	<u>3,718,429</u>

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

	2022 £	2021 £
Bank loans (see note 15)	<u>1,397,099</u>	<u>1,679,819</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	<u>406,180</u>	<u>409,232</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>406,180</u>	<u>482,563</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 202215. **LOANS - continued**

	2022 £	2021 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>926,874</u>	<u>1,037,037</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>64,045</u>	<u>160,219</u>

16. **SECURED DEBTS**

The bank has a legal charge over the freehold property of the company and a first fixed charge over all the assets of the company.

17. **PROVISIONS FOR LIABILITIES**

	2022 £	2021 £
Deferred tax	<u>101,945</u>	<u>94,759</u>
		Deferred tax
		£
Balance at 1 April 2021		<u>94,759</u>
Provided during year		<u>7,186</u>
Balance at 31 March 2022		<u>101,945</u>

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2022 £	2021 £
Number:	Class:	Nominal value:		
34,000	Ordinary A	0.01	<u>340</u>	340
6,375	Ordinary B	0.01	<u>64</u>	64
2,125	Ordinary C	0.01	<u>21</u>	21
			<u>425</u>	<u>425</u>

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

19. RESERVES

	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 April 2021	3,206,436	575	409,617	3,616,628
Profit for the year	293,025			293,025
Dividends	(349,091)			(349,091)
At 31 March 2022	<u>3,150,370</u>	<u>575</u>	<u>409,617</u>	<u>3,560,562</u>

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2022 and 31 March 2021:

	2022 £	2021 £
M S Sheldrick		
Balance outstanding at start of year	-	(52,900)
Amounts advanced	(33,650)	52,900
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(33,650)</u>	<u>-</u>
D Beckett		
Balance outstanding at start of year	149,115	132,103
Amounts advanced	79,294	149,115
Amounts repaid	(149,115)	(132,103)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>79,294</u>	<u>149,115</u>

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party, by virtue of shareholdings is M S Sheldrick.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.