

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
FOR  
DIRECT PRESS MARKETING LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2023**

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**DIRECT PRESS MARKETING LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2023**

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**DIRECTORS:**

D Beckett  
M S Sheldrick  
T J Casey

**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 2023**

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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 2022-23 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.

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.

The key financial performance indicators for the year ended 31 March 2023 are set out below:

Turnover:	2023: £21.98m	2022: £17.06m
Gross Profit:	2023: £1.62m	2022: £1.45m
EBITDA:	2022: £0.65m	2022: £0.49m

**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

7 December 2023

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report with the financial statements of the company for the year ended 31 March 2023.

**DIVIDENDS**

The directors recommend that no final dividends be paid. The total distribution of dividends for the year ended 31 March 2023 will be £2,227,308. Refer to note 8 in the financial statements for further information.

**DIRECTORS**

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

D Beckett  
M S Sheldrick

Other changes in directors holding office are as follows:

D M Grace - resigned 10 May 2022  
T J Casey - appointed 10 May 2022

**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

7 December 2023

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

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### Opinion

We have audited the financial statements of Direct Press Marketing Limited (the 'company') for the year ended 31 March 2023 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 2023 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.

### 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.

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

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### **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](http://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**

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**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

7 December 2023



**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
	Notes	£	£
<b>TURNOVER</b>	3	<b>21,981,309</b>	17,609,097
Cost of sales		<b>20,359,910</b>	16,153,400
<b>GROSS PROFIT</b>		<b>1,621,399</b>	1,455,697
Administrative expenses		<b>985,048</b>	1,087,697
		<b>636,351</b>	368,000
Other operating income		-	3,333
<b>OPERATING PROFIT</b>	5	<b>636,351</b>	371,333
Interest receivable and similar income		<b>51,932</b>	73,127
		<b>688,283</b>	444,460
Interest payable and similar expenses	6	<b>73,892</b>	67,969
<b>PROFIT BEFORE TAXATION</b>		<b>614,391</b>	376,491
Tax on profit	7	<b>(12,973)</b>	83,466
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>627,364</b>	293,025

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>		<b>627,364</b>	<b>293,025</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>627,364</u></b>	<b><u>293,025</u></b>

**BALANCE SHEET**  
**31 MARCH 2023**

		2023		2022	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		24,517		1,518,735
Investments	10		146,657		166,836
			<u>171,174</u>		<u>1,685,571</u>
<b>CURRENT ASSETS</b>					
Stocks	11	2,434,319		2,605,129	
Debtors	12	2,245,016		1,054,710	
Cash at bank and in hand		<u>1,603,474</u>		<u>3,081,175</u>	
		6,282,809		6,741,014	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>3,613,626</u>		<u>3,366,554</u>	
<b>NET CURRENT ASSETS</b>			<u>2,669,183</u>		<u>3,374,460</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,840,357</u>		<u>5,060,031</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(875,000)		(1,397,099)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(4,314)</u>		<u>(101,945)</u>
<b>NET ASSETS</b>			<u>1,961,043</u>		<u>3,560,987</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		425		425
Capital redemption reserve	19		575		575
Fair value reserve	19		-		409,617
Retained earnings	19		<u>1,960,043</u>		<u>3,150,370</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,961,043</u>		<u>3,560,987</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 December 2023 and were signed on its behalf by:

M S Sheldrick - Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Total equity £
<b>Balance at 1 April 2021</b>	425	3,206,436	575	409,617	3,617,053
<b>Changes in equity</b>					
Dividends	-	(349,091)	-	-	(349,091)
Total comprehensive income	-	293,025	-	-	293,025
<b>Balance at 31 March 2022</b>	425	3,150,370	575	409,617	3,560,987
<b>Changes in equity</b>					
Dividends	-	(2,227,308)	-	-	(2,227,308)
Total comprehensive income	-	1,036,981	-	(409,617)	627,364
<b>Balance at 31 March 2023</b>	425	1,960,043	575	-	1,961,043

The notes form part of these financial statements

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>	Notes		
Cash generated from operations	1	(155,088)	281,939
Interest paid		(73,892)	(67,969)
Tax paid		(76,279)	(23,628)
Net cash from operating activities		<u>(305,259)</u>	<u>190,342</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(13,510)	(17,582)
Sale of tangible fixed assets		1,676,688	-
Sale of fixed asset investments		20,179	35,844
Interest received		51,932	73,127
Net cash from investing activities		<u>1,735,289</u>	<u>91,389</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(539,390)	(285,772)
Amount introduced by directors		79,294	6,611
Amount withdrawn by directors		(220,327)	69,820
Equity dividends paid		(2,227,308)	(349,091)
Net cash from financing activities		<u>(2,907,731)</u>	<u>(558,432)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(1,477,701)</u>	<u>(276,701)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	3,081,175	3,357,876
<b>Cash and cash equivalents at end of year</b>	2	<u>1,603,474</u>	<u>3,081,175</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Profit before taxation	614,391	376,491
Depreciation charges	21,221	45,084
Profit on disposal of fixed assets	(190,181)	-
Finance costs	73,892	67,969
Finance income	(51,932)	(73,127)
	<u>467,391</u>	<u>416,417</u>
Decrease in stocks	170,810	311,901
Increase in trade and other debtors	(831,575)	(38,293)
Increase/(decrease) in trade and other creditors	38,286	(408,086)
<b>Cash generated from operations</b>	<u><b>(155,088)</b></u>	<u><b>281,939</b></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 2023**

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>1,603,474</u>	<u>3,081,175</u>

**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>

## 3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>3,081,175</u>	<u>(1,477,701)</u>	<u>1,603,474</u>
	<u>3,081,175</u>	<u>(1,477,701)</u>	<u>1,603,474</u>
<b>Debt</b>			
Debts falling due within 1 year	(406,180)	17,291	(388,889)
Debts falling due after 1 year	<u>(1,397,099)</u>	<u>522,099</u>	<u>(875,000)</u>
	<u>(1,803,279)</u>	<u>539,390</u>	<u>(1,263,889)</u>
<b>Total</b>	<u><b>1,277,896</b></u>	<u><b>(938,311)</b></u>	<u><b>339,585</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**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 2023

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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 2023

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**

	2023	2022
	£	£
Wages and salaries	518,257	494,724
Social security costs	47,932	41,028
Other pension costs	43,779	44,071
	<u>609,968</u>	<u>579,823</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 20234. **EMPLOYEES AND DIRECTORS - continued**

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

	2023	2022
Management	3	3
Administration	7	7
	<u>10</u>	<u>10</u>

	2023	2022
	£	£
Directors' remuneration	233,971	192,696
Directors' pension contributions to money purchase schemes	<u>41,720</u>	<u>41,589</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director for the year ended 31 March 2023 is as follows:

	2023
	£
Emoluments etc	127,721
Pension contributions to money purchase schemes	<u>40,000</u>

5. **OPERATING PROFIT**

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

	2023	2022
	£	£
Other operating leases	132,664	10,266
Depreciation - owned assets	21,221	45,084
Profit on disposal of fixed assets	(190,181)	-
Auditors' remuneration	<u>8,000</u>	<u>8,000</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Bank interest	<u>73,892</u>	<u>67,969</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

## 7. TAXATION

**Analysis of the tax (credit)/charge**

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

	2023 £	2022 £
Current tax:		
UK corporation tax	84,659	76,280
Prior year under/(over) provision	(1)	-
Total current tax	84,658	76,280
Deferred tax	(97,631)	7,186
Tax on profit	(12,973)	83,466

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	2023 £	2022 £
Profit before tax	614,391	376,491
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	116,734	71,533
Effects of:		
Expenses not deductible for tax purposes	2,695	541
Income not taxable for tax purposes	(37,582)	-
Depreciation in excess of capital allowances	2,811	4,206
Deferred taxation	(97,631)	7,186
Total tax (credit)/charge	(12,973)	83,466

**Tax effects relating to effects of other comprehensive income**

	Gross £	2022 Tax £	Net £
Revaluation of freehold property			

## 8. DIVIDENDS

	2023 £	2022 £
Ordinary A shares of 0.01 each Interim	1,986,000	-
Ordinary B shares of 0.01 each Interim	239,558	327,091
Ordinary C shares of 0.01 each Interim	1,750	22,000
	2,227,308	349,091

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

## 9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 April 2022	1,675,000	154,372	49,462
Additions	-	-	-
Disposals	(1,675,000)	-	-
At 31 March 2023	-	154,372	49,462
<b>DEPRECIATION</b>			
At 1 April 2022	188,493	147,253	49,462
Charge for year	-	6,600	-
Eliminated on disposal	(188,493)	-	-
At 31 March 2023	-	153,853	49,462
<b>NET BOOK VALUE</b>			
At 31 March 2023	-	519	-
At 31 March 2022	1,486,507	7,119	-
	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 1 April 2022	14,193	32,379	1,925,406
Additions	12,000	1,510	13,510
Disposals	-	-	(1,675,000)
At 31 March 2023	26,193	33,889	263,916
<b>DEPRECIATION</b>			
At 1 April 2022	-	21,463	406,671
Charge for year	5,548	9,073	21,221
Eliminated on disposal	-	-	(188,493)
At 31 March 2023	5,548	30,536	239,399
<b>NET BOOK VALUE</b>			
At 31 March 2023	20,645	3,353	24,517
At 31 March 2022	14,193	10,916	1,518,735

Cost or valuation at 31 March 2023 is represented by:

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
Cost	<u>154,372</u>	<u>49,462</u>	<u>26,193</u>	<u>33,889</u>	<u>263,916</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

## 10. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
<b>COST</b>	
At 1 April 2022	166,836
Disposals	(20,179)
At 31 March 2023	<u>146,657</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>146,657</u>
At 31 March 2022	<u>166,836</u>

## 11. STOCKS

	2023 £	2022 £
Work-in-progress	238,434	98,875
Stock	<u>2,195,885</u>	<u>2,506,254</u>
	<u>2,434,319</u>	<u>2,605,129</u>

## 12. DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,102,576	407,418
Amounts owed by group undertakings	251,688	-
Other debtors	190,100	190,100
Directors' current accounts	186,337	79,294
VAT	133,404	-
Prepayments and accrued income	<u>201,427</u>	<u>105,940</u>
	<u>2,065,532</u>	<u>782,752</u>
Amounts falling due after more than one year:		
Other debtors	<u>179,484</u>	<u>271,958</u>
Aggregate amounts	<u>2,245,016</u>	<u>1,054,710</u>

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans and overdrafts (see note 15)	388,889	406,180
Trade creditors	386,112	234,232
Tax	84,659	76,280
Social security and other taxes	27,485	27,264
VAT	-	61,429
Other creditors	277,848	1,168,529
Directors' current accounts	-	33,990
Accruals and deferred income	<u>2,448,633</u>	<u>1,358,650</u>
	<u>3,613,626</u>	<u>3,366,554</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 £
Bank loans (see note 15)	<u>875,000</u>	<u>1,397,099</u>

## 15. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year or on demand:		
Bank loans	<u>388,889</u>	<u>406,180</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>388,889</u>	<u>406,180</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>486,111</u>	<u>926,874</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>64,045</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

	2023 £	2022 £
Deferred tax	<u>4,314</u>	<u>101,945</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 April 2022		<b>101,945</b>
Provided during year		<b>(97,631)</b>
Balance at 31 March 2023		<u><b>4,314</b></u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

## 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2023 £	2022 £
34,000	Ordinary A	0.01	340	340
6,375	Ordinary B	0.01	64	64
2,125	Ordinary C	0.01	21	21
			<u>425</u>	<u>425</u>

## 19. RESERVES

	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 April 2022	3,150,370	575	409,617	3,560,562
Profit for the year	627,364			627,364
Dividends	(2,227,308)			(2,227,308)
Transfer to fair value reserve	409,617	-	(409,617)	-
At 31 March 2023	<u>1,960,043</u>	<u>575</u>	<u>-</u>	<u>1,960,618</u>

## 20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2023 and 31 March 2022:

	2023 £	2022 £
<b>M S Sheldrick</b>		
Balance outstanding at start of year	(33,650)	-
Amounts advanced	109,318	(33,650)
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>75,668</u>	<u>(33,650)</u>
<b>D Beckett</b>		
Balance outstanding at start of year	79,294	149,115
Amounts advanced	110,668	79,294
Amounts repaid	(79,294)	(149,115)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>110,668</u>	<u>79,294</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.