Company registration number 03730070 (England and Wales)

MARK WORTHINGTON JEWELLERS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

MARK WORTHINGTON JEWELLERS LTD

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MARK WORTHINGTON JEWELLERS LTD

COMPANY INFORMATION

Directors	Mr C M D Worthington	
	Mr T Worthington	(Appointed 14 July 2021)
	Mr H Worthington	(Appointed 14 July 2021)
Company number	03730070	
Registered office	23 Water Lane Wilmslow Cheshire UK SK9 5AE	
Auditor	cbaSadofskys Statutory Auditors Princes House Wright Street Hull East Yorkshire HU2 8HX	

MARK WORTHINGTON JEWELLERS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2022

The directors present the strategic report for the year ended 30 April 2022.

Fair review of the business
Turnover has been in line with expectations and margins are competitive with our competitors. We remain focussed on further increasing both turnover and profit. The prices of our offering is based on market values and managed by maintaining and growing stockholding alongside constant monitoring and exceptional knowledge of the market.

The key performance indicators which the company relies upon is its Turnover and profit before tax. Both of these rose slightly from the previous period on a pro rata basis. The Turnover of £13,743,068 was up by 1% and the profit before tax of £1,514,871 was up by 0.8%.

Principal risks and uncertainties
The director has minimised any risks by not giving credit, holding significant cash reserves and not exposing the company to foreign exchange risks. They do not view any particular risks and uncertainties to be currently facing the company but recognise the current economic conditions in which the company will be trading.

Given that the company has navigated through the recent unforeseen restrictions imposed upon it with very little if any financial impact the director is confident that the company will continue to prosper. The director doesn't believe that there will be any significant future developments in the business.

On behalf of the board

Mr C M D Worthington
Director

20 January 2023

MARK WORTHINGTON JEWELLERS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

The directors present their annual report and financial statements for the year ended 30 April 2022.

Principal activities
The principal activity of the company continued to be that of retail jewellers, with an online presence selling fine jewellery and premium brand new and preowned watches.

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

Ordinary dividends were paid amounting to £2,066,000. The directors do not recommend payment of a final 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 C M D Worthington	
Mr T Worthington	(Appointed 14 July 2021)
Mr H Worthington	(Appointed 14 July 2021)

Financial instruments
Financial instrument risk
The financial risk management objective of the business is to ensure that sufficient cash is generated in order to enable the business to continue to trade profitably in the long term.

Price risk, credit risk, liquidity risk and cash flow risk
The business holds solid cash-flow reserves in order to manage and maintain any risks.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr C M D Worthington
Director

20 January 2023

MARK WORTHINGTON JEWELLERS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2022

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 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.

MARK WORTHINGTON JEWELLERS LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARK WORTHINGTON JEWELLERS LTD

Opinion

We have audited the financial statements of Mark Worthington Jewellers Ltd (the 'company') for the year ended 30th April 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows, and 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 30th April 2022;
- 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.

MARK WORTHINGTON JEWELLERS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MARK WORTHINGTON JEWELLERS LTD

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

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 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the jewellery industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, UK taxation legislation, and data protection, anti-bribery, employment, environmental, and health and safety legislation, along with industry specific regulations and requirements;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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.

Alan Brocklehurst
Senior Statutory Auditor
For and on behalf of cbaSadofskys, Statutory Auditors

24 January 2023

Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

MARK WORTHINGTON JEWELLERS LTD

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	Year ended 30 April 2022 £	Period 1 November 2020 to 30 April 2021 £
Turnover	3	13,743,068	6,801,906
Cost of sales		(11,440,682)	(5,874,162)
Gross profit		2,302,386	927,744
Administrative expenses		(607,616)	(267,466)
Other operating income		20,037	51,322
Operating profit	5	1,714,807	711,600
Interest payable and similar expenses	8	(199,936)	(9,377)
Profit before taxation		1,514,871	702,223
Tax on profit	10	(291,262)	(135,762)
Profit for the financial year		1,223,609	566,461
Retained earnings brought forward		7,232,307	6,734,846
Dividends	11	(2,066,000)	(69,000)
Retained earnings carried forward		6,389,917	7,232,307

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MARK WORTHINGTON JEWELLERS LTD

BALANCE SHEET

AS AT 30 APRIL 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**12**		498,368		14,500
Current assets					
Stocks	**13**	5,782,845		5,007,211	
Debtors	**14**	15,451		25,252	
Cash at bank and in hand		3,200,300		3,200,300	
		8,998,596		8,232,763	
Creditors: amounts falling due within one year	**15**	(3,106,037)		(1,013,946)	
Net current assets			5,892,559		7,218,817
Net assets			6,390,927		7,233,317
Capital and reserves					
Called up share capital	**17**		1,010		1,010
Profit and loss reserves			6,389,917		7,232,307
Total equity			6,390,927		7,233,317

The financial statements were approved by the board of directors and authorised for issue on 20 January 2023 and are signed on its behalf by:

Mr C M D Worthington
Director

Company Registration No. 03730070

MARK WORTHINGTON JEWELLERS LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	**19**		993,571		496,585
Interest paid			(39,987)		(9,377)
Income taxes paid			(221,568)		(499,486)
Net cash inflow/(outflow) from operating activities			732,016		(12,278)
Investing activities					
Purchase of tangible fixed assets		(505,957)		-	
Net cash used in investing activities			(505,957)		-
Financing activities					
Proceeds from issue of shares		-		10	
Proceeds/(repayment) from borrowings from Directors and connected persons		(161,033)		(4,662)	
Repayment of borrowings		-		(193,981)	
Dividends paid		-		(69,000)	
Net cash used in financing activities			(161,033)		(267,633)
Net increase/(decrease) in cash and cash equivalents			65,026		(279,911)
Cash and cash equivalents at beginning of year			2,789,756		3,069,667
Cash and cash equivalents at end of year			2,854,782		2,789,756
Relating to:					
Cash at bank and in hand			3,200,300		3,200,300
Bank overdrafts included in creditors payable within one year			(345,518)		(410,544)

1 Accounting policies

Company information
MARK WORTHINGTON JEWELLERS LTD is a private company limited by shares incorporated in England and Wales. The registered office is 23 Water Lane, Wilmslow, Cheshire, UK, SK9 5AE.

1.1 Reporting period

The financial statements are presented for a period of 12 months. In the previous period the financial statements were presented for a period of 6 months. The comparative amounts presented in the financial statements (including the related notes) are therefore not entirely comparable.

1.2 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

1.4 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 dispatch 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 professional 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.

1.5 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.

1 Accounting policies **(Continued)**

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 building	2% on cost
Fixtures, fittings & equipment	10% on cost

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 credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.7 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 cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.8 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 Accounting policies **(Continued)**

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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, 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 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.

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 company 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 company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that 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 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 company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company 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 company.

1.11 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

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 when the company has 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.

1.12 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.

1.13 Retirement benefits

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

1.14 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 leases asset are consumed.

1.15 Government grants

Other operating income in the profit and loss account includes government grants received or receivable in respect of the Coronavirus Job Retention Scheme (CJRS) and the council support grants. These grants relate to revenue and are measured at the fair value of the asset received or receivable. They are accounted for on the accrual model so are recognised in income on a systematic basis over the periods in which the entity recognises the related wage costs for which the grant is intended to compensate.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of Goods	13,743,068	6,801,906

	2022	2021
	£	£
Other revenue		
Grants received	20,037	51,322

4 Government Grants

During the year the company received government grants of £20,037 (2021 - £51,322).

£20,037 (2021 - £27,152) was received under the COVID-19 Coronavirus Job Retention Scheme (CJRS) and has been recognised directly in profit and loss.

£0 (2021 - £24,170) was received under the Local Restrictions Support Grants (LRSG) and has been recognised directly in profit and loss.

There were no unfulfilled conditions or other contingencies attaching to the grants.

5 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Government grants	(20,037)	(51,322)
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	-
Depreciation of owned tangible fixed assets	22,089	19,620
Operating lease charges	28,653	5,333

6 Employees

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

	2022	2021
	Number	Number
Administration	2	2
Sales	9	11
Total	11	13

6 Employees **(Continued)**

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	259,856	135,168
Social security costs	17,007	8,398
Pension costs	15,892	8,736
	292,755	152,302

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	68,999	4,397
Company pension contributions to defined contribution schemes	5,431	-
	74,430	4,397

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 0).

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	199,936	9,377

9 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	15,892	8,736

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	291,262	136,762
Adjustments in respect of prior periods	-	1,000
Total current tax	291,262	137,762

10 Taxation **(Continued)**

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	-	(2,000)
Total tax charge	291,262	135,762

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	1,514,871	702,223
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	287,825	133,422
Adjustments in respect of prior years	-	(1,000)
Depreciation in excess of Capital Allowances	3,479	3,338
Tax effect of expenses that are not deductable in determing taxable profit	(42)	2
Taxation charge for the year	291,262	135,762

11 Dividends

	2022	2021
	£	£
Interim paid	2,066,000	69,000

12 Tangible fixed assets

	Freehold building	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 May 2021	-	411,134	411,134
Additions	505,957	-	505,957
At 30 April 2022	505,957	411,134	917,091
Depreciation and impairment			
At 1 May 2021	-	396,634	396,634
Depreciation charged in the year	7,589	14,500	22,089
At 30 April 2022	7,589	411,134	418,723
Carrying amount			
At 30 April 2022	498,368	-	498,368
At 30 April 2021	-	14,500	14,500

13 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	5,782,845	5,007,211

14 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Other debtors	1,000	1,000
Prepayments and accrued income	14,451	24,252
	15,451	25,252

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	16	345,518	410,544
Trade creditors		74,400	78,997
Corporation tax		291,262	221,568
Other taxation and social security		103,245	75,433
Other creditors		2,281,609	216,916
Accruals and deferred income		10,003	10,488
		3,106,037	1,013,946

The bank overdraft is secured by a specific equitable charge over all the freehold and leasehold assets of the company.

16 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	345,518	410,544
Payable within one year	345,518	410,544

17 Share capital

Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Alloted, Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Ordinary B shares of £1 each	5	5	5	5
Ordinary C shares of £1 each	5	5	5	5
	1,010	1,010	1,010	1,010

The Ordinary shares hold the voting rights and have no restrictions placed upon them.
The Ordinary B and Ordinary C shares are non-voting shares with the rights to receiving distributions.

18 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	12,500	11,458
Between two and five years	22,917	35,417
	35,417	46,875

19 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	1,223,609	566,461
Adjustments for:		
Taxation charged	291,262	135,762
Finance costs	199,936	9,377
Depreciation and impairment of tangible fixed assets	22,089	19,620
Movements in working capital:		
Increase in stocks	(775,634)	(127,988)
Decrease/(increase) in debtors	9,801	(16,909)
Increase/(decrease) in creditors	22,508	(89,738)
Cash generated from operations	993,571	496,585

20 Analysis of changes in net funds

	1 May 2021	Cash flows	30 April 2022
	£	£	£
Cash at bank and in hand	3,200,300	-	3,200,300
Bank overdrafts	(410,544)	65,026	(345,518)
	2,789,756	65,026	2,854,782