

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 May 2021  
for  
Overseas Trading Limited**

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for the Year Ended 31 May 2021**

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**Overseas Trading Limited**  
**Company Information**  
**for the Year Ended 31 May 2021**

**DIRECTORS:**

J Buitekant  
P R Jennings  
R B Segal  
D Morrow  
A N Heys

**SECRETARY:**

J Buitekant

**REGISTERED OFFICE:**

OTL House  
Methley Road  
Castleford  
WF10 1PA

**REGISTERED NUMBER:**

04442532 (England and Wales)

**AUDITORS:**

Queripel & Kettlewell Limited  
Chartered Accountants & Statutory Auditors  
The Barn  
Hall Mews  
Boston Spa  
Wetherby  
West Yorkshire  
LS23 6DT

**Strategic Report  
for the Year Ended 31 May 2021**

The directors present their strategic report for the year ended 31 May 2021.

**REVIEW OF BUSINESS**

For the second consecutive year the business delivered double digit revenue growth increasing to £22.4m from the previous years' £18.3m, a rate of 22.6%. This was achieved through a period of significant disruption as a result of the global COVID 19 pandemic, as the business continues with its revenue driving strategies.

There was a similar story at gross profit level, increasing from £3.3m to £4.3m, a rate of 29.5%, and, resulting from a strong focus on margin management, gross profit to revenue as a percentage also improved from 18.0% to 19.0%.

In order to continue to drive revenue growth and organisational capability the business invested in additional resource in targeted areas such as UK sales, export sales and the buying team. In conjunction with some performance incentives that were paid out across the business, overheads rose to £3.8m from £2.9m with overall operating profits growing 28.5% year on year to £496k.

The results for the financial years are affected by the adjustments arising from the requirement under Financial Reporting Standard 102 to estimate the anticipated gain/loss on forward exchange contracts at the end of each financial year. The financial year ended 31 May 2021 showed a gain of £225,464 whilst the financial year ended 31 May 2020 showed a loss of £110,593. If no exchange gain/loss were recognised the results for the financial year before tax would have been £498,570 (2020: £367,787). Whilst compliance with accounting standards is essential the effect on the financial statements can be material. The directors therefore consider it is proper to draw this out within the strategic report in order to gain a fuller understanding of the reported results.

During the financial year the company was acquired by way of share for share exchange by Purston Park Limited which also acquired Spot On-Line Limited, a company with related directors. The restructuring was undertaken with clearance obtained from HM Revenue and Customs. The purpose of the reconstruction was to establish a trading group to allow economies of scale and to present the financial statements of the companies within a group consolidated structure to enhance the market position of the group as a whole.

**BUSINESS OUTLOOK**

For the financial year commencing June 2021 the business has significant plans in place to invest in its' operational infrastructure and capacity. Warehousing and distribution operations were successfully relocated to a new purpose built facility in Leeds by the end of October 2021 which gives the business capacity to increase volumes further. In addition, further investment will be made in upgrading ERP systems that will improve operational and administrative processes and procedures.

Along with most businesses that rely on importing from the far east there are significant challenges to overcome in FY 21-22. The well documented cost increases being applied to shipping containers will exert pressure on margins that will need to be mitigated through re-engineering product and customer pricing. However, albeit recognising this as a challenge, the directors believe it also presents an opportunity for the business as smaller importers are squeezed out of the supply chain.

Looking forward to the end of the financial year the business is forecast to deliver further sales revenue growth, albeit not at the rate of FY 20-21, profitability will be impacted by the ongoing pricing and supply issues associated with the global shipping industry and the sectors progress in recovering from COVID 19.

**ON BEHALF OF THE BOARD:**

J Buitekant - Director

5 May 2022

**Report of the Directors  
for the Year Ended 31 May 2021**

The directors present their report with the financial statements of the company for the year ended 31 May 2021.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 May 2021 was £254,283.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 June 2020 to the date of this report.

J Buitekant  
P R Jennings  
R B Segal  
D Morrow  
A N Heys

Other changes in directors holding office are as follows:

G Conway - resigned 14 October 2020

**FINANCIAL INSTRUMENTS**

The company uses a variety of financial instruments to ensure that liabilities are met on time and these include the judicious use of bank overdrafts and loans, finance lease options and invoice discounting alongside normal working capital cycle items as trade debtors and creditors. The company is comfortable that sufficient liquidity is available to allow the company to trade effectively within its current financing arrangements. The company continues to utilise forward rate contracts to purchase foreign currency in order to protect against adverse exchange rate movements.

**FINANCIAL RECONSTRUCTION**

During the financial year Purston Park Limited acquired the whole of the share capital of the company in exchange for shares in Purston Park Limited. The transfer was effected on 2 March 2021.

**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.

**Report of the Directors  
for the Year Ended 31 May 2021**

**AUDITORS**

The auditors, Queripel & Kettlewell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J Buitekant - Director

5 May 2022

## **Report of the Independent Auditors to the Members of Overseas Trading Limited**

### **Opinion**

We have audited the financial statements of Overseas Trading Limited (the 'company') for the year ended 31 May 2021 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 May 2021 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 Overseas Trading 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that most significant are those that relate to the financial reporting framework, namely FRS102 and the Companies Act 2006.

We understood how the company is complying with those frameworks by making enquiries of management as to their procedures for identifying and responding to fraud risks.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We considered the controls the company has established to address risk identified by management, or that otherwise seek to prevent, detect or deter fraud and how management monitor those controls.

Based on our understanding, we designed audit procedures to identify non-compliance with laws and regulations. Our procedures included journal entry testing based on our risk assessment, analytical procedures to identify unusual relationships that may indicate the risk of material misstatement and challenging the assumptions and judgements made by management in respect of significant accounting estimates.

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  
Overseas Trading 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.

Paul Queripel FCA (Senior Statutory Auditor)  
for and on behalf of Queripel & Kettlewell Limited  
Chartered Accountants & Statutory Auditors  
The Barn  
Hall Mews  
Boston Spa  
Wetherby  
West Yorkshire  
LS23 6DT

5 May 2022

**Income Statement  
for the Year Ended 31 May 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>	3	<b>22,387,208</b>	18,254,180
Cost of sales		<u>18,131,973</u>	<u>14,969,365</u>
<b>GROSS PROFIT</b>		<b>4,255,235</b>	3,284,815
Administrative expenses		<u>3,759,040</u>	<u>2,918,668</u>
		<b>496,195</b>	366,147
Other operating income		<u>-</u>	<u>19,719</u>
<b>OPERATING PROFIT</b>	5	<b>496,195</b>	385,866
Exceptional items	6	<u>225,464</u>	<u>(110,593)</u>
		<b>721,659</b>	275,273
Interest receivable and similar income		<u>186</u>	<u>-</u>
		<b>721,845</b>	275,273
Interest payable and similar expenses	7	<u>61,125</u>	<u>24,054</u>
<b>PROFIT BEFORE TAXATION</b>		<b>660,720</b>	251,219
Tax on profit	8	<u>147,809</u>	<u>(12,230)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>512,911</b></u>	<u><b>263,449</b></u>

The notes form part of these financial statements

**Overseas Trading Limited (Registered number: 04442532)**

**Other Comprehensive Income  
for the Year Ended 31 May 2021**

	Notes	2021 £	2020 £
<b>PROFIT FOR THE YEAR</b>		<b>512,911</b>	263,449
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>512,911</b></u>	<u>263,449</u>

The notes form part of these financial statements

**Overseas Trading Limited (Registered number: 04442532)**

**Balance Sheet  
31 May 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		506,971		225,283
<b>CURRENT ASSETS</b>					
Stocks	11	4,019,731		2,150,505	
Debtors	12	3,631,856		3,652,774	
Cash at bank and in hand		<u>310,631</u>		<u>362,747</u>	
		7,962,218		6,166,026	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>6,768,340</u>		<u>4,985,206</u>	
<b>NET CURRENT ASSETS</b>			<u>1,193,878</u>		<u>1,180,820</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,700,849		1,406,103
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(371,174)		(416,981)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(107,406)</u>		<u>(25,481)</u>
<b>NET ASSETS</b>			<u>1,222,269</u>		<u>963,641</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		100		100
Retained earnings	20		<u>1,222,169</u>		<u>963,541</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,222,269</u>		<u>963,641</u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 May 2022 and were signed on its behalf by:

J Buitekant - Director

Statement of Changes in Equity  
for the Year Ended 31 May 2021

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 June 2019</b>	100	892,546	892,646
<b>Changes in equity</b>			
Dividends	-	(192,454)	(192,454)
Total comprehensive income	-	263,449	263,449
<b>Balance at 31 May 2020</b>	100	963,541	963,641
<b>Changes in equity</b>			
Dividends	-	(254,283)	(254,283)
Total comprehensive income	-	512,911	512,911
<b>Balance at 31 May 2021</b>	100	1,222,169	1,222,269

**Cash Flow Statement**  
**for the Year Ended 31 May 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	180,806	1,035,027
Interest paid		(51,682)	(10,854)
Interest element of hire purchase payments paid		(9,443)	(13,200)
Government grants received		-	19,719
Tax paid		(31,204)	(61,666)
Net cash from operating activities		<u>88,477</u>	<u>969,026</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(340,943)	(1,610)
Sale of tangible fixed assets		3,201	7,106
Interest received		186	-
Net cash from investing activities		<u>(337,556)</u>	<u>5,496</u>
<b>Cash flows from financing activities</b>			
New loans in year		512,020	-
Loan repayments in year		-	(201,479)
Capital repayments in year		(60,774)	(56,652)
Equity dividends paid		(254,283)	(192,454)
Net cash from financing activities		<u>196,963</u>	<u>(450,585)</u>
(Decrease)/increase in cash and cash equivalents		<u>(52,116)</u>	<u>523,937</u>
Cash and cash equivalents at beginning of year	2	362,747	(161,343)
Effect of foreign exchange rate changes		-	153
Cash and cash equivalents at end of year	2	<u>310,631</u>	<u>362,747</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 May 2021**

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

	2021 £	2020 £
Profit before taxation	660,720	251,219
Depreciation charges	34,065	41,084
Loss on disposal of fixed assets	21,989	3,488
Government grants	-	(19,719)
Finance costs	61,125	24,054
Finance income	(186)	-
	<u>777,713</u>	<u>300,126</u>
(Increase)/decrease in stocks	(1,869,226)	881,412
Decrease/(increase) in trade and other debtors	20,918	(471,297)
Increase in trade and other creditors	<u>1,251,401</u>	<u>324,786</u>
<b>Cash generated from operations</b>	<u><b>180,806</b></u>	<u><b>1,035,027</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 May 2021**

	31/5/21 £	1/6/20 £
Cash and cash equivalents	<u>310,631</u>	<u>362,747</u>

**Year ended 31 May 2020**

	31/5/20 £	1/6/19 £
Cash and cash equivalents	362,747	158,821
Bank overdrafts	<u>-</u>	<u>(320,164)</u>
	<u>362,747</u>	<u>(161,343)</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/6/20 £	Cash flow £	At 31/5/21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>362,747</u>	<u>(52,116)</u>	<u>310,631</u>
	<u>362,747</u>	<u>(52,116)</u>	<u>310,631</u>
<b>Debt</b>			
Finance leases	(130,463)	60,774	(69,689)
Debts falling due within 1 year	<u>(1,609,768)</u>	<u>(512,020)</u>	<u>(2,121,788)</u>
	<u>(1,740,231)</u>	<u>(451,246)</u>	<u>(2,191,477)</u>
<b>Total</b>	<u><b>(1,377,484)</b></u>	<u><b>(503,362)</b></u>	<u><b>(1,880,846)</b></u>

**Notes to the Financial Statements  
for the Year Ended 31 May 2021**

**1. STATUTORY INFORMATION**

Overseas Trading 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.

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

**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.

**Significant judgements and estimates**

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. There have been no indicators of impairments identified during the current financial year.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

**Stocks**

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

**Financial instruments**

The company uses a variety of financial instruments to ensure that liabilities are met on time and these include the judicious use of bank overdrafts and loans, finance lease options and invoice discounting alongside normal working capital cycle items as trade debtors and creditors. The company is comfortable that sufficient liquidity is available to allow the company to trade effectively within its current financing arrangements.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.



Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

2. ACCOUNTING POLICIES - continued

**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.

**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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. TURNOVER

Turnover is wholly attributable to the principal activity of the company. The analysis of turnover by geographical market required by The large and Medium sized Companies and Groups (Accounts and Directors' Report) Regulations 2008 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,121,864	1,434,875
Social security costs	213,560	146,906
	<u>2,335,424</u>	<u>1,581,781</u>

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

	2021	2020
Directors	5	5
Warehouse	22	18
Office	39	39
	<u>66</u>	<u>62</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

4. **EMPLOYEES AND DIRECTORS - continued**

	2021	2020
	£	£
Directors' remuneration	<u>409,904</u>	<u>385,693</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>130,000</u>	<u>128,187</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	2021	2020
	£	£
Other operating leases	194,276	186,000
Depreciation - owned assets	6,132	8,589
Depreciation - assets on hire purchase contracts	27,933	32,495
Loss on disposal of fixed assets	21,989	3,488
Auditors' remuneration	6,000	6,000
Auditors' remuneration for non audit work	-	11,500
Foreign exchange differences	<u>63,314</u>	<u>5,975</u>

6. **EXCEPTIONAL ITEMS**

During the year the company entered into forward foreign currency exchange contracts. The contracts were revalued at the financial year end resulting in an unrealised gain. Due to its size and incidence, the company considers the most appropriate treatment for the gain to be as an exceptional item.

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Bank loan interest	51,682	10,854
Hire purchase	<u>9,443</u>	<u>13,200</u>
	<u>61,125</u>	<u>24,054</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

## 8. TAXATION

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

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

	2021 £	2020 £
Current tax:		
UK corporation tax	57,721	55,125
Over/under provision prior years	<u>8,163</u>	<u>(63,886)</u>
Total current tax	<u>65,884</u>	<u>(8,761)</u>
Deferred tax	<u>81,925</u>	<u>(3,469)</u>
Tax on profit	<u><u>147,809</u></u>	<u><u>(12,230)</u></u>

UK corporation tax has been charged at 19% (2020 - 19%).

**Reconciliation of total tax charge/(credit) 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:

	2021 £	2020 £
Profit before tax	<u>660,720</u>	<u>251,219</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	125,537	47,732
Effects of:		
Expenses not deductible for tax purposes	105	184
Capital allowances in excess of depreciation	(11,773)	-
Adjustments to tax charge in respect of previous periods	8,163	(63,886)
Change in rate of deferred tax	25,777	-
Double taxation relief difference	-	3,740
Total tax charge/(credit)	<u><u>147,809</u></u>	<u><u>(12,230)</u></u>

## 9. DIVIDENDS

	2021 £	2020 £
Ordinary shares of 0.01 each		
Interim	112,813	89,141
Ordinary A shares of 0.01 each		
Interim	88,440	77,554
Ordinary B shares of 0.01 each		
Interim	<u>53,030</u>	<u>25,759</u>
	<u><u>254,283</u></u>	<u><u>192,454</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

## 10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
<b>COST</b>				
At 1 June 2020	186,328	135,829	194,231	516,388
Additions	315,376	-	25,567	340,943
Disposals	(13,557)	(10,998)	(182,571)	(207,126)
At 31 May 2021	<u>488,147</u>	<u>124,831</u>	<u>37,227</u>	<u>650,205</u>
<b>DEPRECIATION</b>				
At 1 June 2020	47,950	61,806	181,349	291,105
Charge for year	14,983	18,506	576	34,065
Eliminated on disposal	(2,372)	(7,569)	(171,995)	(181,936)
At 31 May 2021	<u>60,561</u>	<u>72,743</u>	<u>9,930</u>	<u>143,234</u>
<b>NET BOOK VALUE</b>				
At 31 May 2021	<u>427,586</u>	<u>52,088</u>	<u>27,297</u>	<u>506,971</u>
At 31 May 2020	<u>138,378</u>	<u>74,023</u>	<u>12,882</u>	<u>225,283</u>

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

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 June 2020	144,757	130,603	275,360
Disposals	(13,557)	(10,998)	(24,555)
Transfer to ownership	-	(16,164)	(16,164)
At 31 May 2021	<u>131,200</u>	<u>103,441</u>	<u>234,641</u>
<b>DEPRECIATION</b>			
At 1 June 2020	36,684	59,406	96,090
Charge for year	10,807	17,126	27,933
Eliminated on disposal	(2,372)	(7,569)	(9,941)
Transfer to ownership	-	(11,406)	(11,406)
At 31 May 2021	<u>45,119</u>	<u>57,557</u>	<u>102,676</u>
<b>NET BOOK VALUE</b>			
At 31 May 2021	<u>86,081</u>	<u>45,884</u>	<u>131,965</u>
At 31 May 2020	<u>108,073</u>	<u>71,197</u>	<u>179,270</u>

## 11. STOCKS

	2021 £	2020 £
Finished goods	<u>4,019,731</u>	<u>2,150,505</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	3,434,885	3,541,545
Other debtors	121,847	17,053
Corporation tax	-	23,911
Prepayments and accrued income	75,124	70,265
	<u>3,631,856</u>	<u>3,652,774</u>

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

	2021	2020
	£	£
Bank loans and overdrafts (see note 15)	2,121,788	1,609,768
Hire purchase contracts (see note 16)	49,721	64,688
Trade creditors	993,870	95,748
Tax	34,680	-
Social security and other taxes	764,550	570,262
Other creditors	-	110,593
Invoice discounting loan	2,194,231	2,177,334
Accruals and deferred income	609,500	356,813
	<u>6,768,340</u>	<u>4,985,206</u>

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

	2021	2020
	£	£
Hire purchase contracts (see note 16)	19,968	65,775
Directors' loans	351,206	351,206
	<u>371,174</u>	<u>416,981</u>

15. **LOANS**

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>2,121,788</u>	<u>1,609,768</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

## 16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>49,721</b>	64,688
Between one and five years	<b>19,968</b>	<b>65,775</b>
	<b><u>69,689</u></b>	<b><u>130,463</u></b>
	<b>Non-cancellable</b>	<b>operating leases</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	<b>246,475</b>	229,035
Between one and five years	<b>697,427</b>	734,647
In more than five years	<b>69,000</b>	69,000
	<b><u>1,012,902</u></b>	<b><u>1,032,682</u></b>

## 17. SECURED DEBTS

The following secured debts are included within creditors:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>2,121,788</b>	1,609,768
Hire purchase contracts	<b>69,689</b>	130,463
Invoice discounting loan	<b>2,194,231</b>	<b>2,177,334</b>
	<b><u>4,385,708</u></b>	<b><u>3,917,565</u></b>

The bank loan and overdraft are secured by a fixed and floating charge over all the assets of the company and a charge over contract monies.

The invoice discounting creditor is secured by a charge over the company's trade debtors.

The finance leases and hire purchase contracts are secured on the relevant assets.

## 18. PROVISIONS FOR LIABILITIES

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred tax	<b><u>107,406</u></b>	<b><u>25,481</u></b>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

18. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 June 2020	25,481
Capital allowances in excess of depreciation	81,925
Balance at 31 May 2021	<u>107,406</u>

In the opinion of the directors, the Deferred tax provision is unlikely to be reversed in the next accounting period.

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
3,300	Ordinary	0.01	32	32
3,200	Ordinary A	0.01	35	35
3,500	Ordinary B	0.01	33	33
			<u>100</u>	<u>100</u>

All classes of shares confer the same voting rights and rank parri passu.

20. **RESERVES**

	Retained earnings £
At 1 June 2020	963,541
Profit for the year	512,911
Dividends	<u>(254,283)</u>
At 31 May 2021	<u>1,222,169</u>

21. **ULTIMATE PARENT COMPANY**

Purston Park Limited is regarded by the directors as being the company's ultimate parent company.

22. **OTHER FINANCIAL COMMITMENTS**

At the year end, the company had ongoing foreign exchange forward contracts amounting to £5,750,179 (2020: £6,489,510) to purchase United States Dollars.

23. **RELATED PARTY DISCLOSURES**

During the year, total dividends of £162,261 (2020 - £114,900) were paid to the directors .

**Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021**

**23. RELATED PARTY DISCLOSURES - continued**

The company has directors in common with Oceansaver Ltd and is under common ownership with Spot On-Line Limited. During the year Purston Park Limited took ownership of all the share capital of the company.

During the year the company invoiced £28,255 to Spot On-Line Limited in respect of management charges. At the year end, the company was due £22,993 (2020: £92,205) from Spot On-Line Limited. This amount is included in trade debtors.

During the year the company invoiced £55,367 (2020: £137,252) from Oceansaver Limited in respect of management charges. At the year end, the company was due £Nil (2020: £25,014) from Oceansaver Limited.

During the year, total dividends of £25,692 (2020: £Nil) were paid to Purston Park Limited.



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