

Company registration number 05533002 (England and Wales)

PURCELL HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

PURCELL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Ms J Purcell Mr S T Purcell Mr T Purcell
Secretary	Mr T Purcell
Company number	05533002
Registered office	1st Floor, Hunter House Holloway Drive Wardley Industrial Estate, Worsley Manchester United Kingdom M28 2LA
Auditor	Azets Audit Services Alpha House 4 Greek Street Stockport Cheshire SK3 8AB

PURCELL HOLDINGS LIMITED

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PURCELL HOLDINGS LIMITED

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 business

The board was encouraged by the rise in sales revenue for the group during the year with an increase to £8,805,432 (2021: £8,049,094). Group gross margin was slightly lower at 33.1% (2021: 34.5%) resulting in a loss before taxation for the period (£51,722) (2021: £81,094 - profit). Losses can be attributed to significant increase of cost of goods, labour, energy and currency which counteracted the extra revenues from the growth in sales.

Principal risks and uncertainties

The board acknowledges the risks from competitors, the reliance on key suppliers, ongoing support in finance, foreign exchange fluctuations and the global impact of the coronavirus and the Ukraine conflict.

The board will continue to respond to the challenges and continue to work to minimise these risks wherever possible. The Directors will regularly review the current situation and will seek to take any necessary action in mitigating those potential risks.

At the time of approving the financial statements the full effect on future trading due to interest rates, energy costs and the effect on the global economy resulting from the Ukraine conflict remain uncertain. Directors are working with customers and suppliers to help overcome such uncertainties.

Development and performance

2022 was a challenging year for the Group, with tough economic conditions affecting the overall performance of the Group companies. We have seen successes with retaining and expanding our customer base. Investment in market leading technology in operations has contributed to this growth as well as a strong performance from all our staff.

2023 is expected to remain challenging trading conditions for the Group in the core industries. However, having already undertaken recent restructure and the continued investment in infrastructure, new product and improving efficiencies we remain confident in achieving our future targets.

The Group is in a strong position to remain resilient and be in position to take advantage of opportunities as and when they arise.

Key performance indicators

The directors do not believe there are any further relevant financial and non-financial key performance indicators which require disclosure, other than those disclosed above.

On behalf of the board

Mr S T Purcell
Director

14 March 2023

PURCELL HOLDINGS LIMITED

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 group continued to be that of supply of fabric and workwear for the fabric division and retail sale in non-specialised stores.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £98,048 (2021: £133,000). Preference share dividends were paid amounting to £75,933 (2021: £132,636).

The directors do not recommend payment of a further dividend.

Directors

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

Ms J Purcell
Mr S T Purcell
Mr T Purcell

Auditor

Azets Audit Services were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board

Mr S T Purcell
Director

14 March 2023

PURCELL HOLDINGS LIMITED

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

PURCELL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PURCELL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Purcell Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent company's affairs as at 30 April 2022 and of the group's loss 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 our audit:

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

PURCELL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF PURCELL HOLDINGS LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PURCELL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PURCELL HOLDINGS LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

PURCELL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PURCELL HOLDINGS 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lewis Cross (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

16 March 2023

Chartered Accountants
Statutory Auditor

Alpha House
4 Greek Street
Stockport
Cheshire
Cheshire
SK3 8AB

PURCELL HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2022

		2022	2021
	Notes	£	as restated £
Turnover	3	8,805,432	8,049,094
Cost of sales		(5,889,980)	(5,269,334)
Gross profit		2,915,452	2,779,760
Distribution costs		(106,222)	(93,917)
Administrative expenses		(2,909,393)	(2,837,588)
Other operating income		68,981	257,779
Operating (loss)/profit	4	(31,182)	106,034
Interest receivable and similar income	7	12	417
Interest payable and similar expenses	8	(20,552)	(25,357)
(Loss)/profit before taxation		(51,722)	81,094
Tax on (loss)/profit	9	11,923	930
(Loss)/profit for the financial year		(39,799)	82,024

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

PURCELL HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2022

	2022	2021
	£	as restated £
(Loss)/profit for the year	(39,799)	82,024
Other comprehensive income		
Actuarial gain on defined benefit pension schemes	66,000	82,000
Total comprehensive income for the year	<u>26,201</u>	<u>164,024</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

PURCELL HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		13,380		20,070
Tangible assets	12		207,630		216,440
			<u>221,010</u>		<u>236,510</u>
Current assets					
Stocks	15	4,666,716		3,719,778	
Debtors	16	2,076,046		1,709,041	
Cash at bank and in hand		657,061		596,777	
		<u>7,399,823</u>		<u>6,025,596</u>	
Creditors: amounts falling due within one year	17	(5,065,190)		(3,463,895)	
Net current assets			<u>2,334,633</u>		<u>2,561,701</u>
Total assets less current liabilities			<u>2,555,643</u>		<u>2,798,211</u>
Creditors: amounts falling due after more than one year	18		(169,112)		(140,833)
Net assets excluding pension liability			<u>2,386,531</u>		<u>2,657,378</u>
Defined benefit pension liability	20		(69,000)		(135,000)
Net assets			<u><u>2,317,531</u></u>		<u><u>2,522,378</u></u>
Capital and reserves					
Called up share capital	21		1,000		1,000
Profit and loss reserves			<u>2,316,531</u>		<u>2,521,378</u>
Total equity			<u><u>2,317,531</u></u>		<u><u>2,522,378</u></u>

The financial statements were approved by the board of directors and authorised for issue on 14 March 2023 and are signed on its behalf by:

Mr S T Purcell
Director

PURCELL HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2022

		2022	2021
	Notes	£	as restated £
Fixed assets			
Investments	13	19,391	19,391
Current assets			
Debtors	16	2,335,296	2,085,296
Creditors: amounts falling due within one year	17	(2,325,901)	(2,075,901)
Net current assets		9,395	9,395
Net assets		28,786	28,786
Capital and reserves			
Called up share capital	21	1,000	1,000
Profit and loss reserves		27,786	27,786
Total equity		28,786	28,786

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £231,048 (2021 - £208,569 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 14 March 2023 and are signed on its behalf by:

Mr S T Purcell
Director

Company Registration No. 05533002

PURCELL HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
As restated for the period ended 30 April 2021:				
Balance at 1 May 2020		1,000	2,565,923	2,566,923
Year ended 30 April 2021:				
Profit for the year		-	82,024	82,024
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	82,000	82,000
Total comprehensive income for the year		-	164,024	164,024
Dividends	10	-	(208,569)	(208,569)
Balance at 30 April 2021		1,000	2,521,378	2,522,378
Year ended 30 April 2022:				
Loss for the year		-	(39,799)	(39,799)
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	66,000	66,000
Total comprehensive income for the year		-	26,201	26,201
Dividends	10	-	(231,048)	(231,048)
Balance at 30 April 2022		1,000	2,316,531	2,317,531

PURCELL HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
As restated for the period ended 30 April 2021:				
Balance at 1 May 2020		1,000	27,786	28,786
Year ended 30 April 2021:				
Profit and total comprehensive income for the year		-	208,569	208,569
Dividends	10	-	(208,569)	(208,569)
Balance at 30 April 2021		1,000	27,786	28,786
Year ended 30 April 2022:				
Profit and total comprehensive income for the year		-	231,048	231,048
Dividends	10	-	(231,048)	(231,048)
Balance at 30 April 2022		1,000	27,786	28,786

PURCELL HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

		2022	2021
	Notes	£	as restated £
Cash flows from operating activities			
Cash absorbed by operations	26	(170,810)	(594,475)
Interest paid		(20,552)	(25,357)
Income taxes refunded		13,948	-
Net cash outflow from operating activities		(177,414)	(619,832)
Investing activities			
Purchase of tangible fixed assets		(53,648)	(93,846)
Proceeds on disposal of tangible fixed assets		16,970	26,309
Receipts/(expenditure) arising from loans made		(25,629)	15,026
Interest received		12	417
Net cash used in investing activities		(62,295)	(52,094)
Financing activities			
Issue of preference shares		250,000	-
Repayment of bank loans		(9,592)	100,000
Dividends paid to equity shareholders		(231,048)	(208,569)
Net cash generated from/(used in) financing activities		9,360	(108,569)
Net decrease in cash and cash equivalents		(230,349)	(780,495)
Cash and cash equivalents at beginning of year		396,910	1,177,405
Cash and cash equivalents at end of year		166,561	396,910
Relating to:			
Cash at bank and in hand		657,061	596,777
Bank overdrafts included in creditors payable within one year		(490,500)	(199,867)

PURCELL HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(250,000)		-
Investing activities					
Dividends received		231,048		208,569	
Net cash generated from investing activities			231,048		208,569
Financing activities					
Issue of preference shares		250,000		-	
Dividends paid to equity shareholders		(231,048)		(208,569)	
Net cash generated from/(used in) financing activities			18,952		(208,569)
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			-		-

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

Company information

Purcell Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1st Floor, Hunter House, Holloway Drive, Wardley Industrial Estate, Worsley, Manchester, United Kingdom, M28 2LA.

The group consists of Purcell Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Business combinations

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

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

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Purcell Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 April 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.4 Going concern

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

In reaching their conclusion, the directors have reviewed forecasts prepared by management which includes detailed profit & loss and cash flow forecasts for the period to 30 April 2024 and have taken into consideration all information considered relevant to assessing the future performance of the group. The forecasts indicate that the group will overall remain cash positive throughout the review period and will be able to manage its business risks and variations in trading performance.

1.5 Turnover

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

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.

1.6 Intangible fixed assets - goodwill

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

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Tangible fixed assets

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

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

Freehold land and buildings	10% straight line
Plant and equipment	15% reducing balance or 20% straight line
Fixtures and fittings	15% reducing balance or 20% straight line
IT Equipment	20-30% straight line
Motor vehicles	25% straight line

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

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.8 Fixed asset investments

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

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

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

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 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.

1.10 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.

1.11 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.

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.12 Financial instruments

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

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

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

Basic financial assets

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

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 group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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.

Derecognition of financial liabilities

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

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

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

Deferred tax

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

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

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.15 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.

1.16 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.17 Leases

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

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

1.18 Government grants

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

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

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provision

The group adopts their own internal stock provisioning policy, the group needs to ensure that stock is still being valued at the lower of cost or net realisable value under FRS 102.

Pension scheme valuation

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of fabric and workwear	7,223,916	7,006,460
Retail sale in non-specialised stores	1,581,516	1,042,634
	<u>8,805,432</u>	<u>8,049,094</u>
	2022	2021
	£	£
Other revenue		
Interest income	12	417
Grants received	18,290	211,862
	<u></u>	<u></u>

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

4 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	20,397	(17,566)
Government grants	(18,290)	(211,862)
Depreciation of owned tangible fixed assets	58,318	53,543
(Profit)/loss on disposal of tangible fixed assets	(12,830)	20,867
Amortisation of intangible assets	6,690	6,690
Operating lease charges	192,780	216,951
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,500	1,500
Audit of the financial statements of the company's subsidiaries	19,600	15,600
	<u> </u>	<u> </u>
	21,100	17,100
	<u> </u>	<u> </u>

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Employees	70	64	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,434,599	1,422,334	-	-
Social security costs	120,482	121,880	-	-
Pension costs	35,363	34,813	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,590,444	1,579,027	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	3	37
Other interest income	9	380
	<u>12</u>	<u>417</u>
Total income	<u>12</u>	<u>417</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3	37
	<u>3</u>	<u>37</u>

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	19,495	25,357
Other interest on financial liabilities	1,057	-
	<u>20,552</u>	<u>25,357</u>
	<u>20,552</u>	<u>25,357</u>

9 Taxation

	2022	2021
	£	£
Current tax		
Adjustments in respect of prior periods	(11,923)	-
	<u>(11,923)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	(930)
	<u>-</u>	<u>(930)</u>
Total tax credit	<u>(11,923)</u>	<u>(930)</u>

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

9 Taxation

(Continued)

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

	2022 £	2021 £
(Loss)/profit before taxation	(51,722)	81,094
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(9,827)	15,408
Tax effect of expenses that are not deductible in determining taxable profit	4,255	518
Tax effect of income not taxable in determining taxable profit	(4)	-
Adjustments in respect of prior years	(11,923)	-
Group relief	1,023	-
Other non-reversing timing differences	14,229	2,020
Other permanent differences	213	-
Movement in deferred tax assets not recognised	(9,889)	(18,876)
Taxation credit	(11,923)	(930)

10 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Final paid	231,048	208,569

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2021 and 30 April 2022	33,450
Amortisation and impairment	
At 1 May 2021	13,380
Amortisation charged for the year	6,690
At 30 April 2022	20,070
Carrying amount	
At 30 April 2022	13,380
At 30 April 2021	20,070

The company had no intangible fixed assets at 30 April 2022 or 30 April 2021.

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

12 Tangible fixed assets

Group	Freehold land and buildings	Plant and equipment	Fixtures and fittings	IT Equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 May 2021	25,894	256,384	213,134	325,170	59,871	880,453
Additions	-	48,210	3,110	2,328	-	53,648
Disposals	-	(2,500)	-	-	(4,474)	(6,974)
At 30 April 2022	25,894	302,094	216,244	327,498	55,397	927,127
Depreciation and impairment						
At 1 May 2021	25,252	187,138	129,041	291,065	31,517	664,013
Depreciation charged in the year	642	21,608	12,957	16,209	6,902	58,318
Eliminated in respect of disposals	-	(1,063)	-	-	(1,771)	(2,834)
At 30 April 2022	25,894	207,683	141,998	307,274	36,648	719,497
Carrying amount						
At 30 April 2022	-	94,411	74,246	20,224	18,749	207,630
At 30 April 2021	642	69,246	84,093	34,105	28,354	216,440

The company had no tangible fixed assets at 30 April 2022 or 30 April 2021.

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	19,391	19,391

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 May 2021 and 30 April 2022	19,391
Carrying amount	
At 30 April 2022	19,391
At 30 April 2021	19,391

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
P&R Fabrics Limited	England	Ordinary	100.00	-
Bodnant Furnance Farm Limited	Wales	Ordinary	100.00	-
Work In Style Ltd	England	Ordinary	0	100.00
Uniform Clothing Solutions Limited	England	Ordinary	0	100.00
WIS Clothing Group Holdings Limited	England	Ordinary	0	100.00
The Westbrook Linen Co Limited	England	Ordinary	0	100.00
Northenden Textiles Limited	England	Ordinary	0	100.00
WIS Agents Limited	England	Ordinary	0	100.00
WIS Direct Limited	England	Ordinary	0	100.00
WIS Universities Limited	England	Ordinary	0	100.00
WIS Healthcare Limited	England	Ordinary	0	100.00
www.uniformshop.co.uk Limited	England	Ordinary	0	100.00

15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	4,666,716	3,719,778	-	-

16 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	1,715,027	1,491,463	-	-
Corporation tax recoverable	4,480	6,505	-	-
Amounts owed by group undertakings	-	-	2,335,296	2,085,296
Other debtors	172,081	111,911	-	-
Prepayments and accrued income	183,893	98,597	-	-
	2,075,481	1,708,476	2,335,296	2,085,296
Deferred tax asset	565	565	-	-
	2,076,046	1,709,041	2,335,296	2,085,296

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

17 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	511,796	259,034	-	-
Other borrowings	19	2,325,800	2,075,800	2,325,800	2,075,800
Trade creditors		1,859,521	784,044	-	-
Amounts owed to group undertakings		-	-	101	101
Other taxation and social security		169,520	198,720	-	-
Other creditors		67,746	44,478	-	-
Accruals and deferred income		130,807	101,819	-	-
		<u>5,065,190</u>	<u>3,463,895</u>	<u>2,325,901</u>	<u>2,075,901</u>

Bank loans have an interest rate of 2.5% per annum.

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	69,112	40,833	-	-
Other borrowings	19	100,000	100,000	-	-
		<u>169,112</u>	<u>140,833</u>	<u>-</u>	<u>-</u>

19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	90,408	100,000	-	-
Bank overdrafts	490,500	199,867	-	-
Preference shares	2,425,800	2,175,800	2,325,800	2,075,800
	<u>3,006,708</u>	<u>2,475,667</u>	<u>2,325,800</u>	<u>2,075,800</u>
Payable within one year	2,837,596	2,334,834	2,325,800	2,075,800
Payable after one year	169,112	140,833	-	-
	<u><u>2,837,596</u></u>	<u><u>2,334,834</u></u>	<u><u>2,325,800</u></u>	<u><u>2,075,800</u></u>

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

19 Loans and overdrafts

(Continued)

The amount included within other creditors relates to 1,080,000 £1 redeemable preference shares issued 18 October 2018 and £1,000,000 £1 redeemable P2 preference shares issued 30 October 2019 less associated transaction costs.

On 27 April 2022 there was an additional £250,000 £1 redeemable P2 preference shares issued less transaction costs.

The prescribed particulars of rights attached to the preference shares are:

Preference shares

- (a) each share is not entitled to vote in any circumstance;
- (b) each share is entitled to a fixed, cumulative preferential dividend at an annual rate of 10% of the issue price; each share shall be paid from the date of issue of the share until the date of redemption of the share, in cash, annually; as contained in the articles of association of the company;
- (c) each share is entitled to preferential payment in a capital distribution (including on a winding up of the company); and
- (d) a preference shareholder and the company shall at any time have the right to redeem all or any of the preference shares for the time being outstanding and fully paid up by giving written notice.

P2 Preference shares

- (a) each share is not entitled to vote in any circumstance;
- (b) each share is entitled to a fixed, cumulative preferential dividend at an annual rate of 2.5% above the base rate from time to time of the Bank of England of the issue price; each share shall be paid from the date of issue of the share until the date of redemption of the share, in cash, annually; as contained in the articles of association of the company;
- (c) each share is entitled to preferential payment in a capital distribution (including on a winding up of the company); and
- (d) a preference shareholder and the company shall at any time have the right to redeem all or any of the preference shares for the time being outstanding and fully paid up by giving written notice.

Based on the above the preference shares have been treated as a financial liability in these accounts.

20 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	35,363	34,813

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

Defined benefit scheme - group and company

The group operates a hybrid defined benefit pension scheme, which is funded.

The assets of the scheme are held separately from those of the group, being invested in unitised funds and ordinary shares via a broker.

The pension cost and provision for the year ended 30 April 2022 are based on the advice of a professional qualified actuary.

The group expects to contribute in the region of £14,000 to its defined benefit pension scheme in the next accounting period.

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

20 Retirement benefit schemes (Continued)

	2022	2021
	%	%
<i>Key assumptions</i>		
Discount rate	3.1	1.9
Inflation	4.3	3.4
<i>Mortality assumptions</i>	2022	2021
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.1	21.7
- Females	23.2	24.0
Retiring in 20 years		
- Males	22.6	22.7
- Females	25.2	25.2

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

Group and company	2022	2021
	£	£
Present value of defined benefit obligations	622,000	703,000
Fair value of plan assets	(553,000)	(568,000)
Deficit in scheme	69,000	135,000
Group and company	2022	2021
<i>Amounts recognised in the profit and loss account</i>	£	£
Net interest on net defined benefit liability/(asset)	20,000	(48,000)
Restriction on net interest income credited to the income statement	(5,000)	(5,000)
Total costs/(income)	15,000	(53,000)

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

20 Retirement benefit schemes

(Continued)

Group and company	2022	2021
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	10,000	(58,000)
Less: calculated interest element	(10,000)	58,000
	<hr/>	<hr/>
Return on scheme assets excluding interest income	-	-
Restriction on net interest income credited to the income statement	5,000	5,000
Actuarial changes related to obligations	(71,000)	(19,000)
	<hr/>	<hr/>
Total costs/(income)	(66,000)	(14,000)
	<hr/> <hr/>	<hr/> <hr/>

Group and company	2022
<i>Movements in the present value of defined benefit obligations</i>	£
Liabilities at 1 May 2021	701,000
Benefits paid	(23,000)
Actuarial gains and losses	(71,000)
Interest cost	10,000
Other	5,000
	<hr/>
At 30 April 2022	622,000
	<hr/> <hr/>

Group and company	2022
<i>The defined benefit obligations arise from plans funded as follows:</i>	£
Wholly unfunded obligations	-
Wholly or partly funded obligations	622,000
	<hr/>
	622,000
	<hr/> <hr/>

Group and company	2022
<i>Movements in the fair value of plan assets</i>	£
Fair value of assets at 1 May 2021	566,000
Interest income	(10,000)
Benefits paid	(23,000)
Contributions by the employer	14,000
Other	1,000
	<hr/>
At 30 April 2022	553,000
	<hr/> <hr/>

The actual return on plan assets was £5,000 (2021: £63,000).

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

20 Retirement benefit schemes (Continued)

Group and company	2022	2021
<i>Fair value of plan assets at the reporting period end</i>	£	£
Equity instruments	367,000	374,000
Debt instruments	93,000	146,000
Property	41,000	-
	52,000	48,000
	<u>553,000</u>	<u>568,000</u>

21 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A of £1 each	334	334	334	334
Ordinary B of £1 each	333	333	333	333
Ordinary C of £1 each	333	333	333	333
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

22 Financial commitments, guarantees and contingent liabilities

The group has entered into continuing guarantees in respect of the banking facilities afforded to other group undertakings.

23 Operating lease commitments

Lessee

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

	Group	2021	Company	2021
	2022		2022	
	£	£	£	£
Within one year	160,101	186,932	-	-
Between two and five years	417,617	572,606	-	-
	<u>577,718</u>	<u>759,538</u>	<u>-</u>	<u>-</u>

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

24 Directors' transactions

Included within other debtors are amounts of £31,674 (2021: nil) in relation to amounts owed by the directors to P&R Fabrics Limited.

The Directors loan account "DLA" was repaid in full following the year end.

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
DLA	-	-	31,674	31,674
		-	31,674	31,674

25 Prior period adjustment

The balance sheet stock figure in the comparative period has been revised to ensure that stock is carried at the lower of cost and net realisable value.

Reconciliation of changes in equity - group

	1 May 2020 £	30 April 2021 £
Adjustments to prior year		
Reduce the unit price of stock at average cost	-	(58,216)
Equity as previously reported	2,566,926	2,580,594
Equity as adjusted	2,566,926	2,522,378
Analysis of the effect upon equity		
Profit and loss reserves	-	(58,216)

Reconciliation of changes in profit for the previous financial period

	2021 £
Adjustments to prior year	
Reduce the unit price of stock at average cost	(58,216)
Profit as previously reported	140,240
Profit as adjusted	82,024

Reconciliation of changes in equity - company

The prior period adjustments do not give rise to any effect upon equity.

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

26 Cash absorbed by group operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(39,799)	82,021
Adjustments for:		
Taxation credited	(11,923)	(930)
Finance costs	20,552	25,357
Investment income	(12)	(417)
(Gain)/loss on disposal of tangible fixed assets	(12,830)	20,867
Amortisation and impairment of intangible assets	6,690	6,690
Depreciation and impairment of tangible fixed assets	58,318	53,540
Movements in working capital:		
Increase in stocks	(946,938)	(273,409)
(Increase)/decrease in debtors	(343,401)	1,326,423
Increase/(decrease) in creditors	1,098,533	(1,834,617)
Cash absorbed by operations	(170,810)	(594,475)

27 Cash absorbed by operations - company

	2022 £	2021 £
Profit for the year after tax	231,048	208,569
Adjustments for:		
Investment income	(231,048)	(208,569)
Movements in working capital:		
Increase in debtors	(250,000)	-
Cash absorbed by operations	(250,000)	-

28 Analysis of changes in net debt - group

	1 May 2021 £	Cash flows £	30 April 2022 £
Cash at bank and in hand	596,777	60,284	657,061
Bank overdrafts	(199,867)	(290,633)	(490,500)
	396,910	(230,349)	166,561
Borrowings excluding overdrafts	(2,275,800)	(240,408)	(2,516,208)
	(1,878,890)	(470,757)	(2,349,647)

PURCELL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

29 Analysis of changes in net debt - company

	1 May 2021	Cash flows	30 April 2022
	£	£	£
Borrowings excluding overdrafts	(2,075,800)	(250,000)	(2,325,800)
	<u> </u>	<u> </u>	<u> </u>

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.