

Company registration number 06430836 (England and Wales)

CLARES BUSINESS SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

CLARES BUSINESS SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr S J Clare	
	Mr N J Weston	(Appointed 1 April 2022)
	Mr R M Whittall	(Appointed 1 April 2022)

Secretary	Mrs D L Clare
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Company number	06430836
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Registered office	Unit D1 Voyager Park Portfield Road Portsmouth Hampshire PO3 5FN
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Auditor	Leonard Gold Chartered Accountants 24 Landport Terrace Portsmouth Hampshire England PO1 2RG
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CLARES BUSINESS SOLUTIONS LIMITED

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CLARES BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The directors present the strategic report for the Period ended 31 March 2022.

Principal activities

The Company's principal activity is managed procurement services that offers clients reduced lifetime cost and improvements to operational productivity, for both commercial and government sector customers.

Business review of results

Clares financial year end has been changed to the 31 March (11-month period). Despite only being an 11 month trading period, profit after tax grew by 4.0% to £836,507. This therefore represented a 14% improvement over the prior 12 month trading period.

Whilst turnover was still affected by the COVID-19 extended lockdowns, the business is in good shape and poised to take advantage of emerging markets and distressed competitors. The business continued to make use of the Coronavirus Job Retention Scheme, albeit to a lesser extent than the prior year and a Coronavirus Business Interruption Loan scheme loan (CBILS). Due to positive trading during the period, the business has been able to repay £500,000 of the CBILS loan since the period end.

On 1 October 2021, the company purchased the goodwill and assets of Procurement & Purchasing Services Ltd based in Christchurch. The company also acquired the Roman Press Group in Bournemouth on 1 March 2022. The geographical proximity of these two businesses has meant that we have been able to consolidate the two operations to optimise delivery infrastructure whilst continuing to provide excellent local service.

Future Prospects

As from 1 April 2022 the owners of Clares Office Supplies Ltd (Clares) and Print & Stationery Management Co Ltd (Prism) have reached an agreement to merge their businesses to create The Business Supplies Group (TBSG). This merger has created a southern-based supplier of business consumables and services with forecast annual sales of £27m. The two businesses already work in partnership to supply a number of key customers and have done so for the last 10 years. Building on this, our aim is to continue to grow and develop TBSG via a combination of organic growth and product category development whilst continuing to acquire businesses operating within the same markets. Core categories available across the group will include: Office Products, In-house Print Production and Print Management, Office Interiors, Managed Print Services, Hybrid Mail, Corporate Merchandise and Incentives.

As an SME the Governance will continue to be controlled by the senior management team who are very close to the customers and operation, creating a rapid feedback loop to aid decision making. The strong relationship and partnership with customer and supply chain partners underpins our key strengths.

Principal risks and uncertainties

Our biggest areas for risk are:

- Recession post COVID-19
- Inflation
- Product cost price uncertainty post Brexit.

The market for business supplies remains very competitive therefore our focus is on high customer service, strong transparent supplier partnerships and refining our very low cost to serve model.

Credit Risk - remains low as we have very strong management in this area and it is proving successful in keeping any losses to a minimum.

Liquidity/Cash Flow Risk - The Company funds part of its Managed Print Solution with finance lease facilities. An overdraft facility was in place but has been cancelled post period end.

Supplier Credit - The Company continues to have good supplier relationships and credit facilities.

The Board remain confident that current strategies to mitigate all of the above risks will remain and continue to contribute to the success of the Company.

CLARES BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

Key performance indicators

The significant KPI's used by the Company are financial, with management monitoring the performance of the business against budget and prior year results.

Other performance indicators

The Board has good expectations that the Company is capable of operating within the levels of its current facilities for a period of at least twelve months from the date of signature of these financial statements.

On behalf of the board

Mr S J Clare
Director

21 December 2022

CLARES BUSINESS SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the Period ended 31 March 2022.

Principal activities

The Company's principal activity is managed procurement services that offers clients reduced lifetime cost and improvements to operational productivity, for both commercial and government sector customers.

Results and dividends

The results for the Period are set out on page 9.

Ordinary dividends were paid amounting to £554,540. The directors do not recommend payment of a further dividend.

Directors

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

Mr S J Clare	
Mrs J A Cotton	(Resigned 18 May 2022)
Mr N J Weston	(Appointed 1 April 2022)
Mr R M Whittall	(Appointed 1 April 2022)

Statement of directors' responsibilities

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.

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.

CLARES BUSINESS SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

On behalf of the board

Mr S J Clare
Director

21 December 2022

CLARES BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLARES BUSINESS SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Clares Business Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the Period ended 31 March 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 31 March 2022 and of the group's profit for the Period 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 Period 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.

CLARES BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CLARES BUSINESS SOLUTIONS 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.

CLARES BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CLARES BUSINESS SOLUTIONS LIMITED

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

Identifying potential risks related to irregularities

- We obtained an understanding of the laws and regulations that are applicable to the company and determined those which could reasonably be expected:
 - To have a direct effect on the determination of material amounts and disclosures in the financial statements. We determined that the most significant were the Companies Act 2006 and taxation legislation; and
 - To not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty. We determined that the most significant were compliance with ISO 14001:2015 and ISO 9001:2015, employment law and health and safety.
- We enquired to management as to their own assessment of risks in relation to fraud and irregularities and the internal controls they may have in place to mitigate the risks of fraud or non-compliance with laws and regulations.
- We evaluated management's incentives and opportunity for fraudulent manipulation of the financial statements (including the risk of override of controls). Also, evaluated if there is an increased risk of fraud arising due to the potential impact of Covid-19 on the activities of the company and the reporting thereon.

Audit approach to risks identified

- We reviewed how the company is complying with laws and regulations by making enquiries to management and senior employees. This was corroborated by review of board minutes and correspondence received from regulatory bodies;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with the Companies Act 2006 and accounting standards;
- We enquired to management as to the basis on which tax calculations and been prepared and the basis of recognition of tax provisions in the financial statements;
- We enquired to management and external legal counsel concerning any actual or potential litigation and claims;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud or non compliance;
- We enquired whether management had any knowledge of any actual, suspected, or alleged fraud;
- We tested the appropriateness of journal entries and other adjustments to assess whether the judgements made in making accounting estimates are indicative of a potential bias. This included assessing the business rational of any significant transactions that are unusual or outside the normal course of business;
- We communicated the risks identified and the audit approach to be taken to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

CLARES BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CLARES BUSINESS SOLUTIONS 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.

Andrew Chapman (Senior Statutory Auditor)
For and on behalf of Leonard Gold, Statutory Auditor
Chartered Accountants

22 December 2022

24 Landport Terrace
Portsmouth
Hampshire
England
PO1 2RG

CLARES BUSINESS SOLUTIONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2022

		11 months ended 31 March 2022 £	Year ended 30 April 2021 £
	Notes		
Turnover	3	12,863,198	13,678,279
Cost of sales		(9,090,817)	(9,851,960)
Gross profit		3,772,381	3,826,319
Administrative expenses		(2,789,155)	(3,008,333)
Other operating income		131,902	255,576
Operating profit	4	1,115,128	1,073,562
Other interest receivable and similar income	8	465	448
Other interest payable and similar expenses	9	(44,890)	(50,697)
Profit before taxation		1,070,703	1,023,313
Tax on profit	10	(234,196)	(220,572)
Profit for the financial Period	29	836,507	802,741

Profit for the financial Period is all attributable to the owners of the parent company.

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

CLARES BUSINESS SOLUTIONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2022

	11 months ended 31 March 2022 £	Year ended 30 April 2021 £
Profit for the Period	836,507	802,741
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>836,507</u>	<u>802,741</u>

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

CLARES BUSINESS SOLUTIONS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	13		1,243,166		836,477
Tangible assets	14		274,049		335,496
Investments	15		4,000		4,000
			<u>1,521,215</u>		<u>1,175,973</u>
Current assets					
Stocks	17	487,251		833,920	
Debtors falling due after more than one year	18	329,607		247,717	
Debtors falling due within one year	18	4,473,362		1,905,893	
Cash at bank and in hand		1,347,720		1,747,935	
		<u>6,637,940</u>		<u>4,735,465</u>	
Creditors: amounts falling due within one year	20	(3,409,636)		(2,159,400)	
Net current assets			<u>3,228,304</u>		<u>2,576,065</u>
Total assets less current liabilities			<u>4,749,519</u>		<u>3,752,038</u>
Creditors: amounts falling due after more than one year	21		(1,103,523)		(1,097,503)
Provisions for liabilities					
Deferred tax liability	24	50,955	(50,955)	8,642	(8,642)
Deferred income	25		(1,609,333)		(942,152)
Net assets			<u>1,985,708</u>		<u>1,703,741</u>
Capital and reserves					
Called up share capital	27		3,743		3,743
Share premium account	28		1,044,157		1,044,157
Profit and loss reserves	29		937,808		655,841
Total equity			<u>1,985,708</u>		<u>1,703,741</u>

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:

Mr S J Clare
Director

CLARES BUSINESS SOLUTIONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	15		2,825,760		2,825,760
Current assets					
Cash at bank and in hand			579		714
Creditors: amounts falling due within one year	20	(86,507)		(81,574)	
Net current liabilities			(85,928)		(80,860)
Net assets			2,739,832		2,744,900
Capital and reserves					
Called up share capital	27		3,743		3,743
Share premium account	28		1,044,157		1,044,157
Profit and loss reserves	29		1,691,932		1,697,000
Total equity			2,739,832		2,744,900

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 £549,472 (2021 - £823,702 profit).

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:

Mr S J Clare
Director

Company Registration No. 06430836

CLARES BUSINESS SOLUTIONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2022

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 May 2020		3,743	1,044,157	681,765	1,729,665
Year ended 30 April 2021:					
Profit and total comprehensive income for the year		-	-	802,741	802,741
Dividends	11	-	-	(828,665)	(828,665)
Balance at 30 April 2021		3,743	1,044,157	655,841	1,703,741
Period ended 31 March 2022:					
Profit and total comprehensive income for the period		-	-	836,507	836,507
Dividends	11	-	-	(554,540)	(554,540)
Balance at 31 March 2022		3,743	1,044,157	937,808	1,985,708

CLARES BUSINESS SOLUTIONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 May 2020		3,743	1,044,157	1,701,963	2,749,863
Year ended 30 April 2021:					
Profit and total comprehensive income for the year		-	-	823,702	823,702
Dividends	11	-	-	(828,665)	(828,665)
Balance at 30 April 2021		3,743	1,044,157	1,697,000	2,744,900
Period ended 31 March 2022:					
Profit and total comprehensive income for the period		-	-	549,472	549,472
Dividends	11	-	-	(554,540)	(554,540)
Balance at 31 March 2022		3,743	1,044,157	1,691,932	2,739,832

CLARES BUSINESS SOLUTIONS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	35	661,468	1,533,199
Interest paid		(41,141)	(8,966)
Income taxes paid		(192,402)	(249,405)
Net cash inflow from operating activities		427,925	1,274,828
Investing activities			
Purchase of intangible assets		(285,434)	(300,000)
Purchase of tangible fixed assets		(35,939)	(37,167)
Proceeds from disposal of tangible fixed assets		2,000	5,800
Interest received		465	448
Net cash used in investing activities		(318,908)	(330,919)
Financing activities			
Directors loan repayment		-	190,758
Short term credit facility repaid		-	(170,000)
Proceeds from new bank loans		46,972	1,100,000
Repayment of bank loans		(165,002)	(55,807)
Procees from new finance lease obligations		115,766	-
Payment of finance leases obligations		(112,496)	(140,056)
Government grant income		160,068	181,930
Dividends paid to equity shareholders		(554,540)	(828,665)
Net cash (used in)/generated from financing activities		(509,232)	278,160
Net (decrease)/increase in cash and cash equivalents		(400,215)	1,222,069
Cash and cash equivalents at beginning of Period		1,747,935	525,866
Cash and cash equivalents at end of Period		1,347,720	1,747,935

CLARES BUSINESS SOLUTIONS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	36		(135)		(30)
Investing activities					
Dividends received		554,540		828,665	
Net cash generated from investing activities			554,540		828,665
Financing activities					
Dividends paid to equity shareholders		(554,540)		(828,665)	
Net cash used in financing activities			(554,540)		(828,665)
Net decrease in cash and cash equivalents			(135)		(30)
Cash and cash equivalents at beginning of Period			714		744
Cash and cash equivalents at end of Period			579		714

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

Company information

Clares Business Solutions Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Clares Business Solutions Limited and all of its subsidiaries.

1.1 Reporting period

The group's accounting year has been reduced to 11 months in preparation for joining a new group after the balance sheet date.

1.2 Accounting convention

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

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

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

1.3 Business combinations

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired. Goodwill is amortised over its expected useful life, subject to impairment reviews.

1.4 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Clares Business Solutions 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 31 March 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.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.5 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Turnover

Turnover represents the amount received or receivable for goods supplied or services rendered, net of returns, discounts, rebates and value added tax.

Sale of goods, including those sold via the company website, are recognised on sale to the customer, which is considered to be at the point of delivery.

Services rendered are recognised when the company obtains the right to the consideration receivable for the services performed. In the main, services provided are invoiced in advance and income is deferred and included within Accruals and Deferred Income. The deferred income is released to the Profit and Loss Account when the right to receive the consideration has been obtained.

Finance lease income recognition is detailed in the accounting policy note for Leases.

1.7 Intangible fixed assets - goodwill

Goodwill paid in connection with the acquisition of a business in the year, is being amortised evenly over its estimated useful life of five years.

Goodwill arising on the transfer of the trade and net assets of subsidiaries in 2019, is being amortised evenly over its estimated useful life of ten years.

Goodwill arising on consolidation in connection with the acquisition of Clares Office Supplies Limited in 2008, was amortised evenly over its estimated useful life of ten years.

The amortisation of goodwill is included within administrative expenses in the Profit and Loss Account.

1.8 Intangible fixed assets other than goodwill

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

1.9 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.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

Short leasehold improvements	10% on cost and over the term of the lease
Fittings and equipment	33% on cost, 20% on cost and 15% on cost
Motor vehicles	20% on cost

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Profit and Loss Account.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

1.10 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in or .

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Dividend income arising from shares held in group undertakings is recognised when the right to receive payment is established.

1.11 Stocks

Stocks are stated at the lower of cost and net estimated selling price less selling costs. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first in first out method.

Provision is made for slow moving or obsolete stock lines as and when necessary.

1.12 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.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.13 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.14 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit And Loss Account, 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

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.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.15 Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

1.16 Retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

1.17 Leases

Assets obtained under hire purchase contracts or finance leases for leasing to lessees under finance leases are included in the amounts due from lessees under finance leases and not capitalised in the balance sheet.

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

In both cases, the interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

1.18 Government grants

Grant income received under the Government's Coronavirus Job Retention Scheme is recognised in the Profit and Loss Account as grant income in the period to which the underlying furloughed staff costs relate.

Interest due for the first year of the company's Coronavirus Business Interruption Loan, which is payable by the Government, has been recognised in the Profit and Loss Account as grant income in the period in which the interest charge is due.

1.19 Distributions to equity holders

Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the directors, or in the case of final dividends approved by the shareholders.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 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.

Critical judgements

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.

- Impairment of intangible assets and goodwill
- Depreciation basis applied to fixed assets, including consideration of the remaining useful life and residual value of assets
- Accruing for income and costs in relation to variable costs incurred under fully managed service contracts
- Accruing for rebate income that is variable
- Provisions against stock

Such adjustments are not anticipated to be individually material.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Sale of goods	12,329,080	12,892,481
Rendering of services	468,205	687,640
Other	65,913	98,158
	<u>12,863,198</u>	<u>13,678,279</u>
	2022 £	2021 £
Other revenue		
Interest income	465	448
Grants received	<u>131,902</u>	<u>255,576</u>

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

4 Operating profit

	2022 £	2021 £
Operating profit for the period is stated after charging/(crediting):		
Government grants	(131,902)	(255,576)
Depreciation of owned tangible fixed assets	48,478	80,701
Depreciation of tangible fixed assets held under finance leases	48,803	21,873
Profit on disposal of tangible fixed assets	(1,895)	(1,432)
Amortisation of intangible assets	111,745	126,067
Operating lease charges	177,522	170,086
	<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	4,920	4,920
Audit of the financial statements of the company's subsidiaries	19,900	20,400
	<u> </u>	<u> </u>
	24,820	25,320
	<u> </u>	<u> </u>
For other services		
All other non-audit services	6,890	3,118
	<u> </u>	<u> </u>

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Sales	24	24	-	-
Distribution	14	13	-	-
Administration	18	17	-	-
Directors	3	3	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	59	57	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,509,020	1,595,699	-	-
Social security costs	140,598	154,219	-	-
Pension costs	115,999	152,837	-	-
	<u>1,765,617</u>	<u>1,902,755</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	156,504	184,706
Company pension contributions to defined contribution schemes	78,620	75,573
	<u>235,124</u>	<u>260,279</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	106	-
Other interest income	359	448
	<u>465</u>	<u>448</u>

Disclosed on the profit and loss account as follows:

Other interest receivable and similar income	<u>465</u>	<u>448</u>
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Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>106</u>	<u>-</u>
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CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	35,875	41,731
Other interest on financial liabilities	-	1,623
	<u>35,875</u>	<u>43,354</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	9,015	7,043
Other interest	-	300
	<u>9,015</u>	<u>7,343</u>
Total finance costs	<u>44,890</u>	<u>50,697</u>
Disclosed on the profit and loss account as follows:		
Other interest payable and similar expenses	<u>44,890</u>	<u>50,697</u>

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	192,982	189,237
	<u>192,982</u>	<u>189,237</u>
Deferred tax		
Origination and reversal of timing differences	41,214	31,335
	<u>41,214</u>	<u>31,335</u>
Total tax charge	<u>234,196</u>	<u>220,572</u>

The actual charge for the Period can be reconciled to the expected charge for the Period based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>1,070,703</u>	<u>1,023,313</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	203,434	194,429
Tax effect of expenses that are not deductible in determining taxable profit	2,266	26,143
Tax effect of income not taxable in determining taxable profit	(4,101)	-
Effect of change in corporation tax rate	11,966	-
Depreciation on assets not qualifying for tax allowances	544	-
Amortisation on assets not qualifying for tax allowances	20,549	-
Super deduction enhancement	(462)	-
	<u>234,196</u>	<u>220,572</u>
Taxation charge	<u>234,196</u>	<u>220,572</u>

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

11 Dividends

	2022	2021	2022	2021
Recognised as distributions to equity holders:	Per share	Per share	Total	Total
	£	£	£	£
Ordinary				
Interim paid	160.43	149.17	30,000	27,895
Ordinary 'A'				
Interim paid	146.34	200.75	384,000	526,758
Ordinary 'B'				
Interim paid	161.38	253.67	44,540	70,012
Ordinary 'C'				
Interim paid	146.34	310.96	96,000	204,000
Total dividends				
Interim dividends paid			554,540	828,665

12 Impairments

Stock impairment losses

During the current and comparative year, impairment reviews were undertaken in relation to specific lines of PPE stock purchased at the start of the COVID-19 pandemic. The review was necessary due to the selling price in the marketplace for these products reducing over the year to significantly below original cost. Impairment losses recognised totalled £110,110 (2021: £442,589) and were included in cost of sales.

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 May 2021	1,975,032
Additions	518,434
At 31 March 2022	2,493,466
Amortisation and impairment	
At 1 May 2021	1,138,555
Amortisation charged for the Period	111,745
At 31 March 2022	1,250,300

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

13 Intangible fixed assets (Continued)

Carrying amount	
At 31 March 2022	1,243,166
At 30 April 2021	836,477

The company had no intangible fixed assets at 31 March 2022 or 30 April 2021.

14 Tangible fixed assets

Group	Short leasehold improvements	Fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 May 2021	254,669	290,863	371,155	916,687
Additions	1,771	15,044	19,124	35,939
Disposals	-	(17,745)	(7,750)	(25,495)
At 31 March 2022	256,440	288,162	382,529	927,131
Depreciation and impairment				
At 1 May 2021	228,763	227,935	124,493	581,191
Depreciation charged in the Period	2,861	28,118	66,302	97,281
Eliminated in respect of disposals	-	(17,640)	(7,750)	(25,390)
At 31 March 2022	231,624	238,413	183,045	653,082
Carrying amount				
At 31 March 2022	24,816	49,749	199,484	274,049
At 30 April 2021	25,906	62,928	246,662	335,496

The company had no tangible fixed assets at 31 March 2022 or 30 April 2021.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Motor vehicles	166,044	214,847	-	-

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

14 Tangible fixed assets

(Continued)

Excluded from fixed assets are assets acquired for the purpose of letting under finance leases. The cost of these assets to date is:

	2022	2021
	£	£
Assets purchased outright	937,136	808,186
Assets acquired under hire purchase and finance leases	1,033,388	943,869

15 Fixed asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Unlisted investments	4,000	4,000	2,825,760	2,825,760

Movements in fixed asset investments

Group

Investments
£

Cost or valuation

At 1 May 2021 and 31 March 2022

4,000

Carrying amount

At 31 March 2022

4,000

At 30 April 2021

4,000

Movements in fixed asset investments

Company

Investments
£

Cost or valuation

At 1 May 2021 and 31 March 2022

2,825,760

Carrying amount

At 31 March 2022

2,825,760

At 30 April 2021

2,825,760

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

16 Subsidiaries (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Clares Office Supplies Limited	Unit D1 Voyager Park, Portfield Road, Portsmouth, Hampshire, PO3 5FN	Office supplies and managed print solutions	Ordinary	100.00	-
European Office Products Ltd	As above	Dormant company	'A' Ordinary and 'B' Ordinary	0	100.00
Roman Holdings Limited	As above	Holding company	Ordinary B	0	100.00
Roman Press Limited	As above	Office supplies	Ordinary	0	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Clares Office Supplies Limited	2,058,745	828,698
European Office Products Ltd	4,000	-
Roman Holdings Limited	91,750	-
Roman Press Limited	411,388	16,264

At the start of the year an investment in George Rose Office Products Limited was held 100% by Clares Office Supplies Limited. This company was dissolved on 5 April 2022 and £1,000 share capital returned to the company.

17 Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Finished goods and goods for resale	487,251	833,920	-	-

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

18 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,908,745	1,390,698	-	-
Corporation tax recoverable	81,494	81,494	-	-
Finance leases receivable	101,312	64,803	-	-
Other debtors	32,025	38,741	-	-
Prepayments and accrued income	349,786	330,157	-	-
	<u>4,473,362</u>	<u>1,905,893</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Finance leases receivable	208,459	104,874	-	-
Other debtors	121,148	142,843	-	-
	<u>329,607</u>	<u>247,717</u>	<u>-</u>	<u>-</u>
Total debtors	<u>4,802,969</u>	<u>2,153,610</u>	<u>-</u>	<u>-</u>

19 Finance lease receivables

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Gross amounts receivable under finance leases:				
Within one year	135,402	150,327	-	-
In two to five years	229,600	105,325	-	-
In over five years	-	11,012	-	-
	<u>365,002</u>	<u>266,664</u>	<u>-</u>	<u>-</u>
Unearned finance income	(55,231)	(96,987)	-	-
	<u>309,771</u>	<u>169,677</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments receivable	<u>309,771</u>	<u>169,677</u>	<u>-</u>	<u>-</u>
The present value is receivable as follows:				
Within one year	101,312	64,803	-	-
In two to five years	208,459	65,262	-	-
In over five years	-	39,612	-	-
	<u>309,771</u>	<u>169,677</u>	<u>-</u>	<u>-</u>

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

19 Finance lease receivables

(Continued)

Analysis of finance leases

	Group 2022 £	2021 £	Company 2022 £	2021 £
Current assets	309,771	64,803	-	(104,874)
Non-current assets	-	104,874	-	104,874
	<u>309,771</u>	<u>169,677</u>	<u>-</u>	<u>-</u>

The total unguaranteed residual value of leased assets is £25,095.

The finance leases are in relation to equipment provided as part of the fully managed service contracts that the company provides to some of its customers. At the end of some of the contracts the customer has the option to transfer into a new contract or purchase the equipment at fair market rate. If the customer terminates the service contract before the end of its term, the customer is required to pay a substantial amount of the remaining rentals due under the contract term. The customer is not permitted to sub lease the equipment.

Details of the cost of assets acquired for the purpose of letting under finance leases is given in Note 14.

20 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	22	266,972	201,667	-	-
Obligations under finance leases	23	95,836	84,922	-	-
Trade creditors		2,415,320	1,391,059	-	-
Amounts owed to group undertakings		-	-	81,557	66,225
Corporation tax payable		86,431	77,589	-	-
Other taxation and social security		327,983	403,655	-	-
Other creditors		217,094	508	-	10,399
Accruals and deferred income		-	-	4,950	4,950
		<u>3,409,636</u>	<u>2,159,400</u>	<u>86,507</u>	<u>81,574</u>

The hire purchase and finance lease liabilities are secured over the assets to which they relate.

Other creditors relate to deferred payments for the acquisition of a subsidiary in the year and the acquisition of the trade and assets of a business.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

21 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	22	715,000	898,334	-	-
Obligations under finance leases	23	191,523	199,169	-	-
Other creditors		197,000	-	-	-
		<u>1,103,523</u>	<u>1,097,503</u>	<u>-</u>	<u>-</u>

Other creditors relate to deferred payments for the acquisition of a subsidiary in the year and the acquisition of the trade and assets of a business.

22 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	981,972	1,100,001	-	-
	<u>981,972</u>	<u>1,100,001</u>	<u>-</u>	<u>-</u>
Payable within one year	266,972	201,667	-	-
Payable after one year	715,000	898,334	-	-
	<u>981,972</u>	<u>1,100,001</u>	<u>-</u>	<u>-</u>

The bank loan relates to finance acquired under the Coronavirus Business Interruption Loan Scheme (CBILS) for £1,100,000 in June 2020. The term of the loan is 6 years and interest is payable at base rate + 3.99%.

The Government funded the first 12 months of interest payments of £44,990 and the bank's security fee of £490 in relation to this loan (known as the Business Interruption Payment).

The security given for the CBILS loan is as follows:

- The bank holds a fixed and floating charge over Clares Office Supplies Limited's assets and a debenture encompassing a fixed and floating charge over all assets of that company
- A group guarantee given to the bank by Clares Office Supplies Limited and Clares Business Solutions Limited
- A second legal charge over leasehold property has been given in favour of the bank by a company outside of the group which is controlled by one of the directors of group
- The Government has provided its CBILS guarantee

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

23 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	104,053	86,090	-	-
In two to five years	199,247	214,919	-	-
	<u>303,300</u>	<u>301,009</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(15,941)	(16,918)	-	-
	<u>287,359</u>	<u>284,091</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	45,965	48,226
Tax losses	-	(5,877)
Cost of leased assets	4,990	(33,707)
	<u>50,955</u>	<u>8,642</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the Period:		
Liability at 1 May 2021	8,642	-
Charge to profit or loss	53,180	-
Effect of change in tax rate - profit or loss	(11,966)	-
Other	1,099	-
	<u>50,955</u>	<u>-</u>

It is expected that the deferred tax liability will decrease by £33,800 in the year ended 31 March 2023.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

25 Deferred income

	Group 2022 £	2021 £	Company 2022 £	2021 £
Accruals and deferred income	1,609,333	942,152	-	-

All amounts included within accruals and deferred income are due within one year.

26 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	115,999	152,837

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.

27 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of £1 each	187	187	187	187
Ordinary 'A' of £1 each	2,624	2,624	2,624	2,624
Ordinary 'B' of £1 each	276	276	276	276
Ordinary 'C' of £1 each	656	656	656	656
	3,743	3,743	3,743	3,743

Each class of shares rank pari passu. There are no restrictions on the distribution of dividends and no restrictions on the repayment of capital.

Each class of shares rank pari passu. There are no restrictions on the distribution of dividends and no restrictions on the repayment of capital.

28 Share premium account

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning and end of the Period	1,044,157	1,044,157	1,044,157	1,044,157

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

29 Profit and loss reserves

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning of the Period	655,841	681,765	1,697,000	1,701,963
Profit for the Period	836,507	802,741	549,472	823,702
Dividends	(554,540)	(828,665)	(554,540)	(828,665)
At the end of the Period	<u>937,808</u>	<u>655,841</u>	<u>1,691,932</u>	<u>1,697,000</u>

30 Acquisition of a business

On 30 September 2021 the group acquired the business of Procurement & Purchasing Services Ltd.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Property, plant and equipment	<u>18,000</u>	<u>-</u>	18,000
Goodwill			<u>108,000</u>
Total consideration			<u>126,000</u>
The consideration was satisfied by:			£
Cash			21,000
Deferred consideration			<u>105,000</u>
			<u>126,000</u>

Deferred consideration is payable monthly until September 2024. This amount has not been discounted.

Goodwill arising from the acquisition of £108,000 is attributable to the acquired customer base. Management have estimated the useful life of goodwill to be 5 years.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

30 Acquisition of a business

(Continued)

On 1 March 2022 the group acquired 100 percent of the issued capital of the Roman Holdings Limited Group.

Net assets acquired	Book Value £	Adjustments £	Fair Value £
Intangible assets	13,312	-	13,312
Property, plant and equipment	5,784	-	5,784
Inventories	15,000	-	15,000
Trade and other receivables	346,048	-	346,048
Cash and cash equivalents	118,182	-	118,182
Borrowings	(47,898)	-	(47,898)
Trade and other payables	(536,045)	-	(536,045)
Tax liabilities	(35,068)	-	(35,068)
Provisions	(1,099)	-	(1,099)
Total identifiable net assets	(121,784)	-	(121,784)
Goodwill			397,123
Total consideration			275,339
The consideration was satisfied by:			£
Cash			132,339
Deferred consideration			143,000
			275,339

Deferred consideration is payable in April 2023 and April 2024.

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	221,260
Profit after tax	16,264

Goodwill arising from the acquisition of £397,123 is attributable to the acquired customer base. Management have estimated the useful economic of the goodwill to be 10 years.

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

31 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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	281,722	178,098	-	-
Between two and five years	1,041,600	530,087	-	-
In over five years	650,000	444,167	-	-
	<u>1,973,322</u>	<u>1,152,352</u>	<u>-</u>	<u>-</u>

32 Events after the reporting date

The financial statements take into consideration events occurring between the balance sheet date and the date of their approval by the board of directors.

Since the balance sheet date:

- Dividends totalling £921,514 have been voted
- A small trade and assets acquisition has been made
- The Clares Business Solutions Limited group has been merged into The Business Supplies Group Holdings Ltd group.
- The group has cancelled its overdraft facility and repaid the whole of its CBILS loan early.

33 Related party transactions

Transactions with related parties

During the Period the group entered into the following transactions with related parties:

	Services received/(provided) 2022 £	2021 £	Pension contribution paid for group officer 2022 £	2021 £
Group				
Other related parties	<u>118,858</u>	<u>107,115</u>	<u>39,167</u>	<u>40,000</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £	2021 £
Group		
Other related parties	<u>-</u>	<u>500</u>

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

33 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties

	2022 Balance £	2021 Balance £
Group		
Other related parties	144,813	166,454

34 Controlling party

As at the balance sheet date, S J Clare was the ultimate controlling party.

At the date of the signing of these financial statements, The Business Supplies Group Holdings Ltd, is the ultimate controlling party.

35 Cash generated from group operations

	2022 £	2021 £
Profit for the Period after tax	836,507	802,741
Adjustments for:		
Taxation charged	234,196	220,572
Finance costs	44,890	50,697
Investment income	(465)	(448)
Non-operating income treated as financing activity	(131,902)	-
Gain on disposal of tangible fixed assets	(1,895)	(1,432)
Amortisation and impairment of intangible assets	111,745	126,067
Depreciation and impairment of tangible fixed assets	97,281	102,574
Government grants	-	(255,576)
Increase/(decrease) in deferred income	667,181	(64,848)
Movements in working capital:		
Decrease/(increase) in stocks	346,669	(369,286)
(Increase)/decrease in debtors	(2,671,472)	1,365,796
Increase/(decrease) in creditors	1,128,733	(443,658)
Cash generated from operations	661,468	1,533,199

CLARES BUSINESS SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

36 Cash absorbed by operations - company

	2022 £	2021 £
Profit for the Period after tax	549,472	823,702
Adjustments for:		
Investment income	(554,540)	(828,665)
Movements in working capital:		
Increase in creditors	4,933	4,933
Cash absorbed by operations	<u>(135)</u>	<u>(30)</u>

37 Analysis of changes in net funds - group

	1 May 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	1,747,935	(400,215)	1,347,720
Borrowings excluding overdrafts	(1,100,001)	118,029	(981,972)
Obligations under finance leases	(284,091)	(3,268)	(287,359)
	<u>363,843</u>	<u>(285,454)</u>	<u>78,389</u>

38 Analysis of changes in net funds - company

	1 May 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	714	(135)	579

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.