

Oceanic Seafoods Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2021

Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

 **Forrester Boyd**
CHARTERED ACCOUNTANTS





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Company Information

Director J M A Welsh

Company secretary J M A Welsh

Registered office 201 Riverway House
Morecambe Road
Lancaster
LA1 2RX

Auditors Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

Oceanic Seafoods Limited

Strategic Report for the Year Ended 28 February 2021

The director presents his strategic report for the year ended 28 February 2021.

Principal activity

The principal activity of the company is the import and export of frozen fish and seafood products.

Fair review of the business

The financial year ended 28 February 2021 was extremely challenging as almost the entire year was influenced and impacted by events initiated by the Covid-19 pandemic. The pandemic surfaced in March 2020 and disruption was immediately faced through turbulent raw material prices caused by uncertainty in future demand. As a result revenue has decreased but fluctuated in line with both the increase and easing of Government restrictions at various points throughout the year. The Directors are looking forward to the opportunities that will arise once restrictions ease again and are positive that this will reflect on revenue for the following year.

Exports out of the Far East markets became more costly as online orders became increasingly popular as a result of restrictions in the UK. This resulted in containers and shipping being in greater demand than the resources available and as a result the price of exports increasing further which is a major cost to the Company. This increased cost has been difficult to pass back to the market during the year as the sector as a whole has felt the strain of the pandemic and pressure on margins has increased further.

The Company chooses to remain loyal to our key customer base and due to the pandemic and increased costs have worked for less margin in the year. This is in the hope to retain sales on the basis that these will come back around when the market is more stable and hopefully deliver more profitable opportunities again in the future. The Company's stable and consistent balance sheet provides us with a strong foundation, from which to move forward in future years, with a real sense of partnership with our key suppliers and customers in which the Company values itself on. The Board remains confident in the sustainability, growth and long term prospects of the business.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Turnover	£	29,240,403.00	34,578,973.00
Turnover growth	%	(15.44)	12.57
Gross profit	£	841,217.00	1,060,304.00
Gross profit margin	%	2.88	3.07
Profit before tax	£	272,616.00	476,493.00
Net profit margin	%	.93	1.38

Principal risks and uncertainties

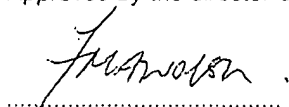
The principal risks and uncertainties faced by the Company remain the availability of raw material fish supplies, maintaining margins and the recovery of markets following both Brexit and Covid-19.

There is an ongoing uncertainty at the time of the approval of the financial statements over the impact of Brexit on the Company and the industry as a whole. It is still difficult to predict the impact to the Company of the UK leaving the European Union but the directors are confident that the business will continue to trade profitably regardless of the outcome.

The directors continue to use their capability, knowledge and expertise to maintain well placed long term supply lines to provide our respected partner customers with assured products.

The directors have assessed the financial and operational implications of the Covid-19 pandemic on the Company. The directors have concluded that the overall impact has been low and linked to short-term operational challenges such as staffing and delays in supply resulting from the outbreak. The duration of the pandemic and the speed of the economic recovery will ultimately be significant drivers of the longer-term impact of the current crisis.

Approved by the director on 2 June 2021 and signed on its behalf by:



J M A Welsh
Company secretary and director



Director's Report for the Year Ended 28 February 2021

The director presents his report and the financial statements for the year ended 28 February 2021.

Directors of the company

The directors who held office during the year were as follows:

J M A Welsh - Company secretary and director

J M Warburton (ceased 28 May 2021)

Financial instruments

Objectives and policies

The objectives of the directors are to ensure that the company has adequate cash flow to meet trading requirements and purchase significant quantities of raw material.

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances and import facility loans. The main purpose of these instruments is to fund raw material that is required to reduce the associated business risk, as noted above.

Trade debtors are offered credit terms based on the risk profile of the customer. The timings of the receipts are managed along with the trade creditor payments and the available bank funds.

Disclosure of information to the auditors

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Reappointment of auditors

The auditors Forrester Boyd are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the director on 2 June 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J M A Welsh'.

.....
J M A Welsh

Company secretary and director



Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



Independent Auditor's Report to the Members of Oceanic Seafoods Limited

Opinion

We have audited the financial statements of Oceanic Seafoods Limited (the 'company') for the year ended 28 February 2021, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs.(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.



Independent Auditor's Report to the Members of Oceanic Seafoods Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 4], the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

- Discussions with management, including consideration of known or suspected instances of non-compliance.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as stock valuation.
- Identification of key laws and regulations central to the Company's operations and review of compliance with such laws including a review of the MSC accreditation and correspondence with solicitors to identify any disciplinary action or ongoing issues.
- Testing of journal entries and potential override of systems.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



Independent Auditor's Report to the Members of Oceanic Seafoods 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.

A handwritten signature in black ink, appearing to read "Forrester Boyd".

Kevin Hopper BFP FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

2 June 2021



Statement of Income and Retained Earnings for the Year Ended 28 February 2021

	Note	2021 £	2020 £
Turnover	3	29,240,403	34,578,973
Cost of sales		<u>(28,399,186)</u>	<u>(33,518,669)</u>
Gross profit		841,217	1,060,304
Administrative expenses		<u>(511,184)</u>	<u>(582,962)</u>
Operating profit	5	<u>330,033</u>	<u>477,342</u>
Interest payable and similar charges	6	<u>(74,896)</u>	<u>(849)</u>
Government grant income	4	<u>17,479</u>	<u>-</u>
		<u>(57,417)</u>	<u>(849)</u>
Profit before tax		272,616	476,493
Taxation	10	<u>(55,624)</u>	<u>(94,425)</u>
Profit for the financial year		216,992	382,068
Retained earnings brought forward		1,343,858	1,253,162
Dividends paid		<u>(291,372)</u>	<u>(291,372)</u>
Retained earnings carried forward		<u><u>1,269,478</u></u>	<u><u>1,343,858</u></u>

Oceanic Seafoods Limited

(Registration number: 06996833)

Balance Sheet as at 28 February 2021



	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	72,215	15,185
Current assets			
Stocks	12	2,044,160	1,633,781
Debtors	13	3,087,770	5,544,129
Cash at bank and in hand	14	563,780	674,261
		5,695,710	7,852,171
Creditors: Amounts falling due within one year	15	(4,242,226)	(6,340,613)
Net current assets		1,453,484	1,511,558
Total assets less current liabilities		1,525,699	1,526,743
Creditors: Amounts falling due after more than one year	15	(62,500)	-
Provisions for liabilities	16	(13,721)	(2,885)
Net assets		1,449,478	1,523,858
Capital and reserves			
Called up share capital		180,000	180,000
Profit and loss account	19	1,269,478	1,343,858
Shareholders' funds		1,449,478	1,523,858

Approved and authorised by the director on 2 June 2021

J M A Welsh
Company secretary and director



Statement of Cash Flows for the Year Ended 28 February 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		216,992	382,068
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	8,409	9,509
Finance costs	6	7,479	-
Income tax expense	10	55,624	94,425
		<u>288,504</u>	<u>486,002</u>
Working capital adjustments			
Increase in stocks	12	(410,379)	(322,142)
Decrease/(increase) in trade debtors	13	2,456,359	(1,364,178)
(Decrease)/increase in trade creditors	15	(58,334)	250,968
Increase in deferred income, including government grants		<u>175,418</u>	<u>-</u>
Cash generated from operations		2,451,568	(949,350)
Income taxes paid	10	<u>(93,107)</u>	<u>(122,043)</u>
Net cash flow from operating activities		<u>2,358,461</u>	<u>(1,071,393)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(65,439)	(16,498)
Cash flows from financing activities			
Interest paid	6	(7,479)	-
Proceeds from bank borrowing draw downs		250,000	1,387,516
Repayment of other borrowing		(2,354,652)	(9,303)
Dividends paid		<u>(291,372)</u>	<u>(291,372)</u>
Net cash flows from financing activities		<u>(2,403,503)</u>	<u>1,086,841</u>
Net decrease in cash and cash equivalents		(110,481)	(1,050)
Cash and cash equivalents at 1 March		<u>674,261</u>	<u>675,311</u>
Cash and cash equivalents at 28 February		<u><u>563,780</u></u>	<u><u>674,261</u></u>



Notes to the Financial Statements for the Year Ended 28 February 2021

1 General information

The company is a private company limited by share capital, incorporated in England and the company registration number is 06996833.

The address of its registered office is:
201 Riverway House
Morecambe Road
Lancaster
LA1 2RX

These financial statements were authorised for issue by the director on 2 June 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements cover the individual entity and have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Government grants

Government grants which become receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, are recognised as income in the period in which they become receivable.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.



Notes to the Financial Statements for the Year Ended 28 February 2021

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	33% Straight Line
Motor vehicles	15% Straight Line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the statement of income and retained earnings.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the period of the lease.



Notes to the Financial Statements for the Year Ended 28 February 2021

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	29,195,487	34,510,201
Commissions received	44,916	68,772
	<u>29,240,403</u>	<u>34,578,973</u>

4 Government grant income

The analysis of the company's Government grant income for the year is as follows:

	2021 £	2020 £
Government grants receivable	<u>17,479</u>	<u>-</u>

Included within Government grant income is £7,479 relating to the Coronavirus Business Interruption Loan Scheme (CBILS) and £10,000 relating to the Lancaster County Council Covid-19 grant.

5 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	8,409	9,509
Operating lease expense - property	<u>19,800</u>	<u>19,800</u>

6 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	7,479	-
Foreign exchange (gains) / losses	<u>67,417</u>	<u>849</u>
	<u>74,896</u>	<u>849</u>



Notes to the Financial Statements for the Year Ended 28 February 2021

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	161,531	141,686
Social security costs	10,316	13,215
Pension costs, defined contribution scheme	1,046	690
	<u>172,893</u>	<u>155,591</u>

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	6	5
Other departments	1	1
	<u>7</u>	<u>6</u>

8 Director's remuneration

The director's remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	10,330	11,788
Sums paid to third parties for directors' services	2,400	2,400
	<u>12,730</u>	<u>14,188</u>

9 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>6,750</u>	<u>6,750</u>

10 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	44,788	93,107
Deferred taxation		
Arising from origination and reversal of timing differences	<u>10,836</u>	<u>1,318</u>
Tax expense in the income statement	<u>55,624</u>	<u>94,425</u>



Notes to the Financial Statements for the Year Ended 28 February 2021

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	272,616	476,493
Corporation tax at standard rate	51,797	90,534
Effect of expense not deductible in determining taxable profit (tax loss)	3,827	3,870
Tax increase from effect of capital allowances and depreciation	-	21
Total tax charge	55,624	94,425
Deferred tax		
Deferred tax assets and liabilities		
		Liability £
2021		
Accelerated capital allowances		13,721
		Liability £
2020		
Accelerated capital allowances		2,885

11 Tangible assets

	Furniture; fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 March 2020	55,254	-	55,254
Additions	5,464	59,975	65,439
At 28 February 2021	60,718	59,975	120,693
Depreciation			
At 1 March 2020	40,069	-	40,069
Charge for the year	8,409	-	8,409
At 28 February 2021	48,478	-	48,478
Carrying amount			
At 28 February 2021	12,240	59,975	72,215
At 29 February 2020	15,185	-	15,185



Notes to the Financial Statements for the Year Ended 28 February 2021

12 Stocks

	2021 £	2020 £
Raw materials and consumables	402,863	632,509
Goods in transit	1,641,297	1,001,272
	<u>2,044,160</u>	<u>1,633,781</u>

Stock includes goods in transit to customers of £1,641,297 (2020: £1,001,272), where legal title had not officially been transferred at the year end.

13 Debtors

	2021 £	2020 £
Trade debtors	2,972,065	5,472,688
Other debtors	15,930	2,660
Prepayments	99,775	68,781
	<u>3,087,770</u>	<u>5,544,129</u>

14 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	660	398
Cash at bank	563,120	673,863
	<u>563,780</u>	<u>674,261</u>

15 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	20	3,349,453	5,516,605
Trade creditors		520,319	694,850
Social security and other taxes		3,507	1,738
Outstanding defined contribution pension costs		280	166
Accruals		148,461	34,147
Income tax liability	10	44,788	93,107
Deferred income		175,418	-
		<u>4,242,226</u>	<u>6,340,613</u>
Due after one year			
Loans and borrowings	20	<u>62,500</u>	<u>-</u>



Notes to the Financial Statements for the Year Ended 28 February 2021

16 Provisions for liabilities

	Deferred tax £	Total £
At 1 March 2020	2,885	2,885
Increase (decrease) in existing provisions	10,836	10,836
At 28 February 2021	13,721	13,721

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,046 (2020 - £690). Commitments provided for in the accounts amounted to £114 (2020 - £166).

18 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary A shares of £1 each	90,000	90,000	90,000	90,000
Ordinary B shares of £1 each	90,000	90,000	90,000	90,000
	180,000	180,000	180,000	180,000

Rights, preferences and restrictions

Ordinary A and B have the following rights, preferences and restrictions:

Both share classes hold full voting and participation rights with no restriction on distribution of dividends or repayment of capital.

19 Reserves

Share capital

Called up share capital comprises of the value of issued share capital at par.

Profit and loss account

The profit and loss account consists of profits made by the company attributable to the shareholders of the company.

20 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	62,500	-



Notes to the Financial Statements for the Year Ended 28 February 2021

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	3,321,922	5,486,459
Other borrowings	27,531	30,146
	<u>3,349,453</u>	<u>5,516,605</u>

Secured creditors

Included within bank borrowings are secured liabilities which are denominated in sterling. The carrying amount at the year end is £3,384,422 (2020 - £5,486,459). These amounts are secured by fixed and floating charges over all of the company's assets.

Bank borrowings are secured by a fixed and floating charge against all assets of the company. Borrowings are denominated in sterling with a nominal interest rate of 3.49% above the Bank of England rate.

21 Obligations under leases and hire purchase contracts

Operating leases

The amount of non-cancellable operating lease payments recognised as an expense during the year was £19,800 (2020 - £19,800).

22 Analysis of changes in net debt

	At 1 March 2020 £	Financing cash flows £	At 28 February 2021 £
Cash and cash equivalents			
Cash	674,261	(110,481)	563,780
Borrowings			
Long term borrowings	-	(62,500)	(62,500)
Short term borrowings	<u>(5,486,459)</u>	<u>2,164,537</u>	<u>(3,321,922)</u>
	<u>(4,812,198)</u>	<u>1,991,556</u>	<u>(2,820,642)</u>

23 Related party transactions

Key management compensation

	2021 £	2020 £
Salaries and other short term employee benefits	<u>57,276</u>	<u>57,517</u>

	2021 £	2020 £
Dividends paid to directors	<u>191,372</u>	<u>191,372</u>



Notes to the Financial Statements for the Year Ended 28 February 2021

Income and receivables from related parties

	Entities with joint control or significant influence £
2021	
Sale of goods	13,868,288
Amounts receivable from related party	307,496
	Entities with joint control or significant influence £
2020	
Sale of goods	24,386,446
Amounts receivable from related party	3,811,659

Expenditure with and payables to related parties

	Entities with joint control or significant influence £	Key management £	Other related parties £
2021			
Purchase of goods	63,836	-	-
Rendering of services	-	-	2,400
	63,836	-	2,400
Amounts payable to related party	6,800	27,531	-
	Entities with joint control or significant influence £	Key management £	Other related parties £
2020			
Purchase of goods	58,429	-	-
Rendering of services	-	-	2,400
	58,429	-	2,400
Amounts payable to related party	34,008	30,146	-

Dividends paid to entities with joint control or significant influence in the year total £100,000 (2020: £100,000).

24 Events after the reporting date

Following the year end the Company purchased the ordinary B shares for a value of £11.11 per share.