

COMPANY REGISTRATION NUMBER: 07041988

**Sarant Limited**  
**Financial Statements**  
**31 October 2022**

**Sarant Limited**  
**Financial Statements**

**Year ended 31 October 2022**

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# Sarant Limited

## Strategic Report

### Year ended 31 October 2022

The directors present their strategic report of the company for the year ended 31 October 2022. Review of business The company's principal activities during the year continued to be the manufacture of food produce to the retail and manufacturing sectors. Development and performance during the year The results of the company for the year show a profit on ordinary activities before tax of £815,461 (2021 - £962,165). Turnover has remained constant in relation to 2021. The biggest challenge remains to be the cost increases on raw materials and transport costs. The director considers the profit achieved and the state of the affairs of the company to be satisfactory. The shareholders' funds total £7,540,246 (2021 - £7,485,795). Business environment The retail sector and the manufacturers supplying the retail sector is highly competitive. There are a huge number of UK and overseas competitors trying to win business in the food sector. Strategy With ongoing significant investment in new machinery, this enables us to continue expanding and developing our products to the highest quality within the food industry. Our aim remains to provide our customers with the confidence that the products they purchase meet the highest standards expected within the food industry. Key performance indicators

	2022	2021
	£	£
Turnover	19,316,787	19,398,393
Gross profit	5,518,085	5,550,156
GP%	29	29
Net profit before tax	815,461	962,165
NP%	4	5

Position at the year end The performance as at 31st March 2023 indicates that there will be a similar turnover for the year ending 31 October 2023 of £19,387,565 and the company is expecting to report a good gross profit by the end of the year, similar to 31st October 2023. Principal risks and uncertainties The company has kept its policy of meeting customers requirements in a timely manner with quality products. This is achieved by meeting expected response times, handing queries promptly with high service levels. Price Risk The company manages this risk by maintaining strong service levels with suppliers and maintaining appropriate stock holdings of raw materials Currency risk The company purchases the majority of its raw materials in USD, AUD or EUR, as such currency accounts are held in these currencies and all risk is hedged.

This report was approved by the board of directors on 3 July 2023 and signed on behalf of the board by:

Mr P Backshall

Director

Registered office:

3rd Floor

44-48 Paul Street

London

EC2A 4LB

# **Sarant Limited**

## **Director's Report**

### **Year ended 31 October 2022**

The director presents his report and the financial statements of the company for the year ended 31 October 2022 .

#### **Director**

The director who served the company during the year was as follows:

Mr P Backshall

#### **Dividends**

Particulars of recommended dividends are detailed in note 13 to the financial statements.

#### **Future developments**

The company will continue to seek to expand its product portfolio in the year and take full advantage of the growth in the markets it operates in.

#### **Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's 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 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 then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The 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 them 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.

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 3 July 2023 and signed on behalf of the board by:

Mr P Backshall

Director

Registered office:

3rd Floor

44-48 Paul Street

London

EC2A 4LB

# **Sarant Limited**

## **Independent Auditor's Report to the Members of Sarant Limited**

**Year ended 31 October 2022**

### **Opinion**

We have audited the financial statements of Sarant Limited (the 'company') for the year ended 31 October 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the 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 the director's report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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, 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 director's 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 director's responsibilities statement, 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 has 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: As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Mark Evans

(Senior Statutory Auditor)

For and on behalf of

EC Professionals Limited

Chartered Certified Accountants & statutory auditor

Britannic House

279 Chanterlands Avenue

Hull

HU5 4DS

3 July 2023

# Sarant Limited

## Statement of Comprehensive Income

Year ended 31 October 2022

		2022	2021
	Note	£	£
<b>Turnover</b>	<b>4</b>	<b>19,316,787</b>	19,398,393
Cost of sales		<b>13,798,702</b>	13,848,237
<b>Gross profit</b>		<b>5,518,085</b>	5,550,156
Distribution costs		<b>963,780</b>	942,504
Administrative expenses		<b>3,677,252</b>	3,683,058
Other operating income	<b>5</b>	<b>—</b>	55,929
<b>Operating profit</b>	<b>6</b>	<b>877,053</b>	980,523
Other interest receivable and similar income	<b>10</b>	<b>24,026</b>	28,006
Interest payable and similar expenses	<b>11</b>	<b>85,618</b>	46,364
<b>Profit before taxation</b>		<b>815,461</b>	962,165
Tax on profit	<b>12</b>	<b>314,057</b>	( 268,045)
<b>Profit for the financial year</b>		<b>501,404</b>	1,230,210
Profit/(Loss) on value of derivative contracts		<b>(38,032)</b>	(12,028)
Tax on value of derivative contracts		<b>(8,921)</b>	2,286
<b>Other comprehensive income for the year</b>		<b>( 46,953)</b>	( 9,742)
<b>Total comprehensive income for the year</b>		<b>454,451</b>	1,220,468

All the activities of the company are from continuing operations.

# Sarant Limited

## Statement of Financial Position

31 October 2022

		2022		2021
	Note	£	£	£
<b>Fixed assets</b>				
Tangible assets	14	4,092,319		4,026,118
<b>Current assets</b>				
Stocks	15	5,630,628	7,011,764	
Debtors	16	4,530,884	5,508,821	
Cash at bank and in hand		374,760	156,551	
		10,536,272	12,677,136	
<b>Creditors: amounts falling due within one year</b>	17	5,591,223	8,018,143	
<b>Net current assets</b>			4,945,049	4,658,993
<b>Total assets less current liabilities</b>			9,037,368	8,685,111
<b>Creditors: amounts falling due after more than one year</b>	18		1,047,391	1,063,642
<b>Provisions</b>				
Taxation including deferred tax	20	449,731		135,674
<b>Net assets</b>		7,540,246		7,485,795
<b>Capital and reserves</b>				
Called up share capital	25	80		80
Profit and loss account		7,540,166		7,485,715
<b>Shareholders funds</b>		7,540,246		7,485,795

These financial statements were approved by the board of directors and authorised for issue on 3 July 2023 , and are signed on behalf of the board by:

Mr P Backshall

Director

Company registration number: 07041988

# Sarant Limited

## Statement of Changes in Equity

Year ended 31 October 2022

		Called up share capital	Profit and loss account	Total
		£	£	£
<b>At 1 November 2020</b>		80	6,665,247	6,665,327
Profit for the year			1,230,210	1,230,210
Other comprehensive income for the year:				
Profit/(Loss) on value of derivative contracts		—	(12,028)	(12,028)
Tax on value of derivative contracts		—	2,286	2,286
		—	-----	-----
<b>Total comprehensive income for the year</b>		—	1,220,468	1,220,468
Dividends paid and payable	<b>13</b>	—	( 400,000)	( 400,000)
		—	-----	-----
<b>Total investments by and distributions to owners</b>		—	( 400,000)	( 400,000)
<b>At 31 October 2021</b>		80	7,485,715	<b>7,485,795</b>
Profit for the year			501,404	<b>501,404</b>
Other comprehensive income for the year:				
Profit/(Loss) on value of derivative contracts		—	(38,032)	<b>(38,032)</b>
Tax on value of derivative contracts		—	(8,921)	<b>(8,921)</b>
		—	-----	-----
<b>Total comprehensive income for the year</b>		—	454,451	<b>454,451</b>
Dividends paid and payable	<b>13</b>	—	( 400,000)	<b>( 400,000)</b>
		—	-----	-----
<b>Total investments by and distributions to owners</b>		—	( 400,000)	<b>( 400,000)</b>
		—	-----	-----
<b>At 31 October 2022</b>		80	7,540,166	<b>7,540,246</b>
		—	-----	-----

# Sarant Limited

## Statement of Cash Flows

Year ended 31 October 2022

	2022	2021
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	501,404	1,230,210
<i>Adjustments for:</i>		
Depreciation of tangible assets	484,973	494,289
Government grant income	—	( 55,929)
Other interest receivable and similar income	( 24,026)	( 28,006)
Interest payable and similar expenses	85,618	46,364
(Gains)/loss on disposal of tangible assets	( 2,550)	1,370
Tax on profit	314,057	( 268,045)
<i>Changes in:</i>		
Stocks	1,381,136	( 1,876,949)
Trade and other debtors	977,937	( 413,578)
Trade and other creditors	( 2,467,996)	2,594,415
Cash generated from operations	1,250,553	1,724,141
Interest paid	( 85,618)	( 46,364)
Interest received	24,026	28,006
Tax paid	—	( 467,968)
Net cash from operating activities	1,188,961	1,237,815
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	( 552,624)	( 1,306,847)
Proceeds from sale of tangible assets	4,000	5,000
Profits/(losses) on market value of future contracts	( 46,953)	( 9,742)
Net cash used in investing activities	( 595,577)	( 1,311,589)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	435,265	555,163
Repayments of borrowings	( 80,049)	( 42,599)
Government grant income	—	55,929
Payments of finance lease liabilities	( 330,391)	( 331,523)
Dividends paid	( 400,000)	( 400,000)
Net cash used in financing activities	( 375,175)	( 163,030)
<b>Net increase/(decrease) in cash and cash equivalents</b>	218,209	( 236,804)
<b>Cash and cash equivalents at beginning of year</b>	156,551	393,355
<b>Cash and cash equivalents at end of year</b>	374,760	156,551

# **Sarant Limited**

## **Notes to the Financial Statements**

### **Year ended 31 October 2022**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 3rd Floor, 44-48 Paul Street, London, EC2A 4LB.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.



**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Long leasehold property	-	2% straight line
Plant and machinery	-	20% on cost, 10% on cost
Fixtures and fittings	-	30% on cost, 25% on cost, 10% on cost
Motor vehicles	-	25% straight line

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

## Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are 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 in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

## 4. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods UK	17,695,430	17,658,642
Sale of goods outside if UK	1,621,357	1,739,751
	<u>19,316,787</u>	<u>19,398,393</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

## 5. Other operating income

	2022	2021
	£	£
Government grant income	—	55,929
	<u>—</u>	<u>55,929</u>

## 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	484,973	495,064
(Gains)/loss on disposal of tangible assets	( 2,550)	1,370
Impairment of trade debtors	32,301	(1,377)
Foreign exchange differences	285,508	246,653
	<u>799,232</u>	<u>739,710</u>

## 7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	6,000	6,000

## 8. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2022	2021
	No.	No.
Production staff	71	73
Management staff	5	5
	76	78

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	1,653,372	1,763,643
Social security costs	220,625	173,678
Other pension costs	34,714	44,454
	1,908,711	1,981,775

## 9. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	167,325	166,401
Company contributions to defined contribution pension plans	—	8,000
	167,325	174,401

## 10. Other interest receivable and similar income

	2022	2021
	£	£
Interest on bank deposits	24,026	28,006

## 11. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	85,618	46,364

## 12. Tax on profit

### Major components of tax expense/(income)

	2022	2021
	£	£
<b>Current tax:</b>		
UK current tax income	—	( 122,109)
Adjustments in respect of prior periods	—	( 83,843)
Total current tax	—	( 205,952)

**Deferred tax:**

Origination and reversal of timing differences	314,057	( 62,093)
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<b>Tax on profit</b>	<b>314,057</b>	<b>( 268,045)</b>
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**Reconciliation of tax expense/(income)**

The tax assessed on the profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

	2022	2021
	£	£
Profit on ordinary activities before taxation	815,461	962,165
Profit on ordinary activities by rate of tax	154,938	182,811
Effect of expenses not deductible for tax purposes	2,593	1,787
Effect of capital allowances and depreciation	( 75,692)	( 224,946)
Unused tax losses	1,746	—
Deferred tax charge	314,057	( 62,093)
Effects of research and development costs	(83,585)	(165,604)
<b>Tax on profit</b>	<b>314,057</b>	<b>( 268,045)</b>

**13. Dividends**

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022	2021
	£	£
Dividends on equity shares	400,000	400,000

**14. Tangible assets**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Total £
<b>Cost</b>						
At 1 Nov 2021	1,327,494	4,548,319	83,783	178,992	715,814	6,854,402
Additions	—	1,088,720	1,965	—	14,500	1,105,185
Disposals	—	( 5,800)	—	—	—	( 5,800)
Transfers	—	—	—	—	( 552,561)	( 552,561)
<b>At 31 Oct 2022</b>	<b>1,327,494</b>	<b>5,631,239</b>	<b>85,748</b>	<b>178,992</b>	<b>177,753</b>	<b>7,401,226</b>
<b>Depreciation</b>						
At 1 Nov 2021	215,837	2,402,902	74,120	135,425	—	2,828,284
Charge for the year	32,987	420,626	3,826	27,534	—	484,973
Disposals	—	( 4,350)	—	—	—	( 4,350)
<b>At 31 Oct 2022</b>	<b>248,824</b>	<b>2,819,178</b>	<b>77,946</b>	<b>162,959</b>	<b>—</b>	<b>3,308,907</b>
<b>Carrying amount</b>						
<b>At 31 Oct 2022</b>	<b>1,078,670</b>	<b>2,812,061</b>	<b>7,802</b>	<b>16,033</b>	<b>177,753</b>	<b>4,092,319</b>
At 31 Oct 2021	1,111,657	2,145,417	9,663	43,567	715,814	4,026,118

**15. Stocks**

2022	2021
£	£

Finished goods and goods for resale

**5,630,628**  
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7,011,764  
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## 16. Debtors

	2022	2021
	£	£
Trade debtors	3,072,838	3,568,486
Amounts owed by undertakings in which the company has a participating interest	1,455	93,449
Prepayments and accrued income	45,213	60,479
Corporation tax repayable	—	302,629
VAT	68,410	126,105
Other debtors	1,342,968	1,357,673
	4,530,884	5,508,821

## 17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	85,988	44,280
Trade creditors	2,036,933	2,819,059
Amounts owed to undertakings in which the company has a participating interest	—	2,000
Accruals and deferred income	1,504,628	2,428,585
Corporation tax	11,881	—
Social security and other taxes	46,173	48,688
Obligations under finance leases and hire purchase contracts	353,549	307,233
Other creditors	249	415,256
Factoring account	1,551,822	1,953,042
	5,591,223	8,018,143

An All Assets Debenture, Debenture Deed, Memorandum of Pledge and Hypothecation of Goods, Mortgage and Mortgage Deed are held by the company's bankers and factors over the company's assets.

## 18. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	506,056	377,818
Obligations under finance leases and hire purchase contracts	484,639	676,081
Derivative financial liability	56,696	9,743
	1,047,391	1,063,642

## 19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022	2021
	£	£
Not later than 1 year	353,549	307,233
Later than 1 year and not later than 5 years	484,639	676,081
	838,188	983,314

## 20. Provisions

	Deferred tax (note 21) £
At 1 November 2021	135,674
Additions	314,057
<b>At 31 October 2022</b>	<b>449,731</b>

## 21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022 £	2021 £
Included in provisions (note 20)	449,731	135,674

## 22. Employee benefits

### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 34,714 (2021: £ 36,454 ).

## 23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in other operating income:		
Government grants recognised directly in income	—	55,929

## 24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
<b>Financial assets measured at fair value through profit or loss</b>		
Financial assets measured at fair value through profit or loss	56,696	9,743

## 25. Called up share capital

### Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £ 1 each	80	80	80	80

## 26. Analysis of changes in net debt

	At 1 Nov 2021	Cash flows	At 31 Oct 2022
	£	£	£
Cash at bank and in hand	156,551	218,209	<b>374,760</b>
Debt due within one year	(353,513)	(86,024)	<b>(439,537)</b>
Debt due after one year	(1,053,899)	63,204	<b>(990,695)</b>
	<u>( 1,250,861)</u>	<u>195,389</u>	<u><b>( 1,055,472)</b></u>

## 27. Director's advances, credits and guarantees

During the year there were no director's advances, credits and guarantees.

## 28. Related party transactions

During the period the company transacted with Property & Risk Management Services Limited, to supply insurance brokering services worth £8,100 (2021: £8,100). The amount owed to this company is nil. The director of Property Risk Management Services is a relative of Paul Backshall. During the period the company transacted with JRN Distribution Limited, the company sold goods worth £154,326. The amount owed by this company is £1,238. The company is owned by Mr Paul Backshall. All services were provided at full market value. As at 31st October 2022, the director owes £1,004,088 to the company. This balance will not be paid off within 9 months of the year end and S455 tax has been applied accordingly.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £ 462,092 (2021: £ 426,176 ).

## 29. Controlling party

Mr P Backshall , the sole director has ultimate control of the company.



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