

**Group Strategic Report, Report of the Director and
Consolidated Financial Statements
for the Year Ended 31 March 2023
for
J. Davidson (Holdings) Limited**

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for the Year Ended 31 March 2023**

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DIRECTOR: J A Davidson

REGISTERED OFFICE: 35 Craven Road
Broadheath
Altrincham
Cheshire
WA14 5HD

REGISTERED NUMBER: 07780810 (England and Wales)

AUDITORS: Thompson Wright Limited
Chartered Accountants
and Statutory Auditors
Ebenezer House
Ryecroft
Newcastle under Lyme
Staffordshire
ST5 2BE

**Group Strategic Report
for the Year Ended 31 March 2023**

The director presents his strategic report of the company and the group for the year ended 31 March 2023.

REVIEW OF BUSINESS

The director considers the overall financial performance of the group to be in line with expectations given the tough trading environment, and is confident that the group will grow over the coming years.

The director considers the group's key performance indicators ("KPIs") to be like for like sales, gross margins, earnings before interest, tax, depreciation and amortisation (EBITDA) and net worth. The director is satisfied with the EBITDA of £1,394,214 (2022: £2,821,710) for the year.

Given the results for the year, the director recommends that equity dividends be paid as detailed in the Report of the Director.

PRINCIPAL RISKS AND UNCERTAINTIES

The director has identified the key risks faced by the company to be market risk, financial risk, and credit risk.

MARKET RISK

The director is constantly monitoring market prices and competitors to minimise the market risk.

LIQUIDITY RISK

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities but currently the group is not using any such facilities.

FINANCIAL RISK

The group finances its operations through a mixture of retained profits, cash at bank, hire purchase, and a bank loan. The group's interest rate exposure is subject to the movements on the variable rate of interest upon the banks borrowings. The group's long term bank loan is being repaid monthly. The group's financial asset is cash. Since the nature of the group's operations are such that trade debtors are minimal, the director considers that the group has limited exposure to credit risk.

CREDIT RISK

The group's principal financial assets are mainly cash and trade debtors. The credit risk associated with cash is limited, the principal credit risk arises therefore from its trade debtors. However, very few customers are given credit accounts as these are reviewed regularly and collections kept up to date.

IMPACT OF THE COVID-19 PANDEMIC

To date, the pandemic has not had a significant impact on business activities and results. The Directors have reviewed the results to date which show that, taking in account reasonably possible changes in trading activity and the potential future impact of the COVID-19 pandemic, that sufficient resources will be available to allow the Company and the group to meet its financial liabilities as they fall due. After making enquiries, the directors have a reasonable expectation that the Company and the group has adequate resources to continue in operational existence for 12 months from the date of signature of these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing the financial statement.

**Group Strategic Report
for the Year Ended 31 March 2023**

FUTURE DEVELOPMENTS

Looking to the future, the directors want to maintain appropriate investment levels in the company to maintain and secure the company's position in the market. The directors closely monitor the market place to ensure that the company can deliver the best products at the best prices.

ON BEHALF OF THE BOARD:

J A Davidson - Director

16 August 2023

**Report of the Director
for the Year Ended 31 March 2023**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of scrap metal processor.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2023 will be £ 202,810 .

DIRECTOR

J A Davidson held office during the whole of the period from 1 April 2022 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

Future developments and principal risks and uncertainties are disclosed in the strategic report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Thompson Wright Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J A Davidson - Director

16 August 2023

Opinion

We have audited the financial statements of J. Davidson (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Profit and Loss Account, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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 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 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 director

As explained more fully in the Statement of Director's Responsibilities set out on page four, 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 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 group's and 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the audit team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, vehicle operators licence, anti-bribery, employment, environmental (including Waste Electrical and Electronic Equipment recycling (WEEE) Regulations 2013), other industry specific accreditations and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

**Report of the Independent Auditors to the Members of
J. Davidson (Holdings) Limited**

- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Bostock BA FCA (Senior Statutory Auditor)
for and on behalf of Thompson Wright Limited
Chartered Accountants
and Statutory Auditors
Ebenezer House
Ryecroft
Newcastle under Lyme
Staffordshire
ST5 2BE

16 August 2023

**Consolidated Profit and Loss Account
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
TURNOVER		22,953,028	22,355,693
Cost of sales		<u>18,016,419</u>	<u>16,106,714</u>
GROSS PROFIT		4,936,609	6,248,979
Administrative expenses		<u>4,267,580</u> 669,029	<u>4,125,275</u> 2,123,704
Other operating income		<u>48,639</u>	<u>78,267</u>
OPERATING PROFIT	4	<u>717,668</u>	<u>2,201,971</u>
Interest receivable and similar income		<u>1,024</u> 718,692	<u>29</u> 2,202,000
Interest payable and similar expenses	5	<u>32,859</u>	<u>41,186</u>
PROFIT BEFORE TAXATION		685,833	2,160,814
Tax on profit	6	<u>(757,163)</u>	<u>351,398</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,442,996</u>	<u>1,809,416</u>
Profit attributable to:			
Owners of the parent		<u>1,442,996</u>	<u>1,809,416</u>

**Consolidated Other Comprehensive Income
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
PROFIT FOR THE YEAR		1,442,996	1,809,416
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,442,996</u>	<u>1,809,416</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,442,996</u>	<u>1,809,416</u>

Consolidated Balance Sheet
31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Intangible assets	9		10,939		-
Tangible assets	10		6,790,723		5,240,826
Investments	11		-		-
			<u>6,801,662</u>		<u>5,240,826</u>
CURRENT ASSETS					
Stocks	12	322,052		287,251	
Debtors	13	1,594,789		1,593,936	
Cash at bank and in hand		<u>2,134,260</u>		<u>2,724,624</u>	
		4,051,101		4,605,811	
CREDITORS					
Amounts falling due within one year	14	<u>3,137,372</u>		<u>2,564,096</u>	
NET CURRENT ASSETS			<u>913,729</u>		<u>2,041,715</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,715,391</u>		<u>7,282,541</u>
CREDITORS					
Amounts falling due after more than one year	15		(1,010,314)		(1,374,153)
PROVISIONS FOR LIABILITIES	19		-		(443,497)
NET ASSETS			<u>6,705,077</u>		<u>5,464,891</u>
CAPITAL AND RESERVES					
Called up share capital	20		11,052		11,052
Merger reserve	21		3		3
Retained earnings	21		<u>6,694,022</u>		<u>5,453,836</u>
SHAREHOLDERS' FUNDS			<u>6,705,077</u>		<u>5,464,891</u>

The financial statements were approved by the director and authorised for issue on 16 August 2023 and were signed by:

J A Davidson - Director

Company Balance Sheet
31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		3		3
			3		3
CURRENT ASSETS					
Debtors	13	1,359,706		1,359,706	
CREDITORS					
Amounts falling due within one year	14	144,763		144,763	
NET CURRENT ASSETS			1,214,943		1,214,943
TOTAL ASSETS LESS CURRENT LIABILITIES			1,214,946		1,214,946
CAPITAL AND RESERVES					
Called up share capital	20		11,052		11,052
Retained earnings			1,203,894		1,203,894
SHAREHOLDERS' FUNDS			1,214,946		1,214,946
Company's profit for the financial year			202,810		1,130,728

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

The financial statements were approved by the director and authorised for issue on 16 August 2023 and were signed by:

J A Davidson - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 April 2021	11,052	4,775,148	3	4,786,203
Changes in equity				
Dividends	-	(1,130,728)	-	(1,130,728)
Total comprehensive income	-	1,809,416	-	1,809,416
Balance at 31 March 2022	<u>11,052</u>	<u>5,453,836</u>	<u>3</u>	<u>5,464,891</u>
Changes in equity				
Dividends	-	(202,810)	-	(202,810)
Total comprehensive income	-	1,442,996	-	1,442,996
Balance at 31 March 2023	<u>11,052</u>	<u>6,694,022</u>	<u>3</u>	<u>6,705,077</u>

**Company Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	11,052	1,203,894	1,214,946
Changes in equity			
Dividends	-	(1,130,728)	(1,130,728)
Total comprehensive income	-	1,130,728	1,130,728
Balance at 31 March 2022	<u>11,052</u>	<u>1,203,894</u>	<u>1,214,946</u>
Changes in equity			
Dividends	-	(202,810)	(202,810)
Total comprehensive income	-	202,810	202,810
Balance at 31 March 2023	<u>11,052</u>	<u>1,203,894</u>	<u>1,214,946</u>

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	1,606,891	4,195,690
Interest paid		(22,401)	(31,522)
Interest element of hire purchase payments paid		(10,458)	(9,664)
Tax paid		(170,606)	(82,232)
Prior year tax adjustment		168,586	-
Net cash from operating activities		<u>1,572,012</u>	<u>4,072,272</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(12,155)	-
Purchase of tangible fixed assets		(2,134,403)	(1,517,246)
Sale of tangible fixed assets		347,200	225,500
Interest received		1,024	29
Net cash from investing activities		<u>(1,798,334)</u>	<u>(1,291,717)</u>
Cash flows from financing activities			
Loan repayments in year		(47,002)	(298,022)
Capital repayments on HP in year		(114,230)	(158,556)
Equity dividends paid		(202,810)	(1,130,728)
Net cash from financing activities		<u>(364,042)</u>	<u>(1,587,306)</u>
(Decrease)/increase in cash and cash equivalents		<u>(590,364)</u>	<u>1,193,249</u>
Cash and cash equivalents at beginning of year	2	2,724,624	1,531,375
Cash and cash equivalents at end of year	2	<u><u>2,134,260</u></u>	<u><u>2,724,624</u></u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023**

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

	31.3.23	31.3.22
	£	£
Profit before taxation	685,833	2,160,814
Depreciation charges	766,332	727,150
Profit on disposal of fixed assets	(90,810)	(107,440)
Finance costs	32,859	41,186
Finance income	(1,024)	(29)
	<u>1,393,190</u>	<u>2,821,681</u>
(Increase)/decrease in stocks	(34,801)	42,623
Decrease/(increase) in trade and other debtors	144,227	(429,280)
Increase in trade and other creditors	<u>104,275</u>	<u>1,760,666</u>
Cash generated from operations	<u>1,606,891</u>	<u>4,195,690</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>2,134,260</u>	<u>2,724,624</u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	2,724,624	1,561,068
Bank overdrafts	-	(29,693)
	<u>2,724,624</u>	<u>1,531,375</u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	Other non-cash changes £	At 31.3.23 £
Net cash				
Cash at bank and in hand	<u>2,724,624</u>	<u>(590,364)</u>		<u>2,134,260</u>
	<u>2,724,624</u>	<u>(590,364)</u>		<u>2,134,260</u>
Debt				
Finance leases	(30,408)	114,230	(437,000)	(353,178)
Debts falling due within 1 year	(49,000)	-	-	(49,000)
Debts falling due after 1 year	<u>(534,839)</u>	<u>47,002</u>	<u>-</u>	<u>(487,837)</u>
	<u>(614,247)</u>	<u>161,232</u>	<u>(437,000)</u>	<u>(890,015)</u>
Total	<u>2,110,377</u>	<u>(429,132)</u>	<u>(437,000)</u>	<u>1,244,245</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2023**

1. STATUTORY INFORMATION

J. Davidson (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

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

The financial statements are presented in Sterling, which is the functional currency of the company.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being the 12 month period from the date of these accounts being approved, given the impact of the Coronavirus upon the economy and therefore the financial statements have been prepared on a going concern basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements;

Section 4 'Balance Sheet' - Reconciliation of the opening and closing number of shares

Section 33 'Related Part Disclosures' - Compensation for key management personnel

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiary undertakings, together with the group's shares of the net assets and results of associated undertakings and joint ventures. The financial statements of all group companies are adjusted, where necessary, to ensure the use of consistent accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the group profit and loss account from or up to the date that control passes respectively.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have been made by the directors in applying the company's accounting policies:

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Turnover

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 for 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.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue is recognised only to the extent that is probable the expenses recognised will be recovered. All turnover for the company took place within UK.

Intangible assets

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.

Computer software is being amortised evenly over its estimated useful life of nil years.

Tangible fixed assets

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

Freehold property	- 2% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Included in the cost of land and buildings is freehold land of £1,255,200 (2022 - £1,255,200) which is not depreciated.

Stocks

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, and cash and bank balances are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, 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 receipts discounted at a market rate of interest. 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. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

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

3. EMPLOYEES AND DIRECTORS

	31.3.23	31.3.22
	£	£
Wages and salaries	909,878	1,059,306
Social security costs	88,810	103,245
Other pension costs	108,632	137,568
	<u>1,107,320</u>	<u>1,300,119</u>

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

	31.3.23	31.3.22
Administration and management	10	10
Drivers and workshop	27	27
	<u>37</u>	<u>37</u>

	31.03.23	31.03.22
£	£	
Director's remuneration including benefit in kind	59,692	56,033
Director's pension contribution	16,667	24,000
	<u>76,359</u>	<u>80,033</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.3.23	31.3.22
	£	£
Hire of plant and machinery	827,946	587,525
Other operating leases	35,899	21,782
Depreciation - owned assets	573,302	664,220
Depreciation - assets on hire purchase contracts	191,814	62,930
Profit on disposal of fixed assets	(90,810)	(107,440)
Computer software amortisation	1,216	-
Auditors' remuneration	13,450	12,900
Government grants	-	(28,524)

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank loan interest	22,401	31,492
Other interest	-	30
Hire purchase	10,458	9,664
	<u>32,859</u>	<u>41,186</u>

6. TAXATION

Analysis of the tax (credit)/charge

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

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	-	170,606
Under/(over) accrued in prior period	(168,586)	-
Total current tax	<u>(168,586)</u>	<u>170,606</u>
Deferred tax	<u>(588,577)</u>	<u>180,792</u>
Tax on profit	<u>(757,163)</u>	<u>351,398</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

6. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.23	31.3.22
	£	£
Profit before tax	<u>685,833</u>	<u>2,160,814</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	130,308	410,555
Effects of:		
Expenses not deductible for tax purposes	9,002	1,171
Capital allowances in excess of depreciation	(509,696)	(241,120)
Utilisation of tax losses	370,386	-
Adjustments to tax charge in respect of previous periods	(168,586)	-
Deferred tax	<u>(588,577)</u>	<u>180,792</u>
Total tax (credit)/charge	<u>(757,163)</u>	<u>351,398</u>

7. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	31.3.23	31.3.22
	£	£
A Ordinary shares of 10p each Interim	-	1,000,000
B ordinary shares of 10p each Interim	88,000	100,000
C ordinary shares of 10p each Interim	38,270	14,364
D ordinary shares of 10p each Interim	38,270	14,364
E ordinary shares of 10p each Interim	<u>38,270</u>	<u>2,000</u>
	<u>202,810</u>	<u>1,130,728</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

9. INTANGIBLE FIXED ASSETS

Group

	Computer software £
COST	
Additions	12,155
At 31 March 2023	<u>12,155</u>
AMORTISATION	
Amortisation for year	1,216
At 31 March 2023	<u>1,216</u>
NET BOOK VALUE	
At 31 March 2023	<u>10,939</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2022	2,755,627	3,603,856	102,249	3,090,548	9,552,280
Additions	73,535	1,746,257	15,788	735,823	2,571,403
Disposals	-	(295,500)	-	(301,561)	(597,061)
At 31 March 2023	<u>2,829,162</u>	<u>5,054,613</u>	<u>118,037</u>	<u>3,524,810</u>	<u>11,526,622</u>
DEPRECIATION					
At 1 April 2022	267,386	1,899,083	82,566	2,062,419	4,311,454
Charge for year	26,132	395,551	5,320	338,113	765,116
Eliminated on disposal	-	(92,344)	-	(248,327)	(340,671)
At 31 March 2023	<u>293,518</u>	<u>2,202,290</u>	<u>87,886</u>	<u>2,152,205</u>	<u>4,735,899</u>
NET BOOK VALUE					
At 31 March 2023	<u>2,535,644</u>	<u>2,852,323</u>	<u>30,151</u>	<u>1,372,605</u>	<u>6,790,723</u>
At 31 March 2022	<u>2,488,241</u>	<u>1,704,773</u>	<u>19,683</u>	<u>1,028,129</u>	<u>5,240,826</u>

Included in cost of land and buildings is freehold land of £1,255,200 (2022 - £1,255,200) which is not depreciated.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

10. TANGIBLE FIXED ASSETS - continued

Group

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2022	585,000	-	585,000
Additions	-	337,000	337,000
At 31 March 2023	<u>585,000</u>	<u>337,000</u>	<u>922,000</u>
DEPRECIATION			
At 1 April 2022	154,746	-	154,746
Charge for year	107,564	84,250	191,814
At 31 March 2023	<u>262,310</u>	<u>84,250</u>	<u>346,560</u>
NET BOOK VALUE			
At 31 March 2023	<u>322,690</u>	<u>252,750</u>	<u>575,440</u>
At 31 March 2022	<u>430,254</u>	<u>-</u>	<u>430,254</u>

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	<u>3</u>
NET BOOK VALUE	
At 31 March 2023	<u>3</u>
At 31 March 2022	<u>3</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

J Davidson Scrap Metal Processors Limited

Registered office: 35 Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HD

Nature of business: Purchase and sale of scrap metal

	% holding
Class of shares: £1 Ordinary	100.00

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

11. FIXED ASSET INVESTMENTS - continued

J Davidson (Car Sales) Limited

Registered office: 35 Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HD

Nature of business: Non trading

	%
Class of shares:	holding
£1 Ordinary	100.00

J Davidson (Properties) Limited

Registered office: 35 Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HD

Nature of business: Property investment

	%
Class of shares:	holding
£1 Ordinary	100.00

J Davidson (Broadheath) Limited

Registered office: 35 Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HD

Nature of business: Proposed strike off

	%
Class of shares:	holding
£1 Ordinary	100.00

12. STOCKS

	Group	
	31.3.23	31.3.22
	£	£
Stocks	<u>322,052</u>	<u>287,251</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Trade debtors	950,682	1,270,408	-	-
Amounts owed by group undertakings	-	-	1,359,706	1,359,706
Other debtors	264,190	42,234	-	-
Deferred tax asset	145,080	-	-	-
Prepayments	234,837	281,294	-	-
	<u>1,594,789</u>	<u>1,593,936</u>	<u>1,359,706</u>	<u>1,359,706</u>

Deferred tax asset

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Deferred tax	<u>145,080</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Bank loans and overdrafts (see note 16)	49,000	49,000	-	-
Hire purchase contracts (see note 17)	120,667	30,408	-	-
Trade creditors	1,965,716	883,365	-	-
Amounts owed to group undertakings	-	-	144,763	144,763
Tax	-	170,606	-	-
Social security and other tax	364,032	567,490	-	-
Other creditors	134,703	105,420	-	-
Accrued expenses	503,254	757,807	-	-
	<u>3,137,372</u>	<u>2,564,096</u>	<u>144,763</u>	<u>144,763</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.3.23	31.3.22
	£	£
Bank loans (see note 16)	487,837	534,839
Hire purchase contracts (see note 17)	232,511	-
Directors loan account	289,966	839,314
	<u>1,010,314</u>	<u>1,374,153</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.3.23	31.3.22
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>49,000</u>	<u>49,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>196,000</u>	<u>196,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>291,837</u>	<u>338,839</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts 31.3.23	31.3.22
	£	£
Net obligations repayable:		
Within one year	120,667	30,408
Between one and five years	<u>232,511</u>	<u>-</u>
	<u>353,178</u>	<u>30,408</u>

Group

	Non-cancellable operating leases 31.3.23	31.3.22
	£	£
Within one year	19,820	9,950
Between one and five years	<u>13,439</u>	<u>-</u>
	<u>33,259</u>	<u>9,950</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.3.23	31.3.22
	£	£
Bank loans	536,837	583,839
Hire purchase contracts	<u>353,178</u>	<u>30,408</u>
	<u>890,015</u>	<u>614,247</u>

Bank loan and overdraft are secured by first legal charge over the freehold of 35 Craven Road, Altrincham and its associated assets, and first legal charge over the freehold of Jarvis House, Atlantic Street, Altrincham and its associated assets.

Hire purchase creditors are secured over the assets to which they relate.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

19. PROVISIONS FOR LIABILITIES

Group

	31.03.23	31.03.22
	£	£
Deferred tax - relates to accelerated capital allowances	<u>(145,080)</u>	<u>443,497</u>

Group

	Deferred Tax
	£
Balance at 1 April 2022	443,497
Provided during the year	<u>(588,577)</u>
Balance at 31 March 2023	<u>(145,080)</u>

20. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal Value:	2022 £	2021 £
88,416	Ordinary A	10p	8,841.60	8,841.60
5,526	Ordinary B	10p	552.60	552.60
5,526	Ordinary C	10p	552.60	552.60
5,526	Ordinary D	10p	552.60	552.60
5,526	Ordinary E	10p	552.60	552.60
			<u>11,052.00</u>	<u>11,052.00</u>

21. RESERVES

Group

	Retained earnings £	Merger reserve £	Totals £
At 1 April 2022	5,453,836	3	5,453,839
Profit for the year	1,442,996		1,442,996
Dividends	<u>(202,810)</u>		<u>(202,810)</u>
At 31 March 2023	<u>6,694,022</u>	<u>3</u>	<u>6,694,025</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

22. RELATED PARTY DISCLOSURES

During the year, total dividends of £202,810 (2022- £1,130,728) were paid to the shareholders.

J Davidson

The director of the company.

During the year, the company operated from premises which Mr J Davidson owns personally. The amount of rent paid was £36,000 (2022 - £36,000).

	2023	2022
	£	£
Amount due to related party at the balance sheet date	<u>£289,966</u>	<u>£839,314</u>

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J A Davidson.

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.