

Registration number: 08261006

Delves & Co Limited

Annual Report and Financial Statements

for the Period from 29 February 2020 to 28 February 2021




Mitchell Meredith Limited
Chartered Accountants and Statutory Auditor
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Delves & Co Limited

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Delves & Co Limited

Company Information

Directors

Mr DP Delves
Mrs R A Delves
Mr HTW Delves
Mr R P Delves

Registered office

Craven Centre
Craven Arms
Shropshire
SY7 9PY

Auditors

Mitchell Meredith Limited
Chartered Accountants and Statutory Auditor
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Delves & Co Limited

Strategic Report for the Period from 29 February 2020 to 28 February 2021

The directors present their strategic report for the period from 29 February 2020 to 28 February 2021.

Principal activity

The principal activity of the company is that of a supermarket.

Fair review of the business

The company's key financial performance indicators were as follows:-

Turnover decreased from £21,487,654 to £18,010,742 - an decrease of 16.2%.

Gross profit increased from 17.9% to 21.5%.

Profit before tax increased from £643,306 to £1,107,876 - an increase of 72.2%.

Trading conditions for the company continued to be very competitive. The aim is to keep current customers, maintain relationships that have been built up over a number of years while continually looking for new business.

Current performance in 2021 is satisfactory and in line with expectations.

Principal risks and uncertainties

The company operates an established supermarket and filling station at Craven Arms, Shropshire and Welshpool, Powys.

The principal risks and uncertainties are competition from large supermarket operators and global supply and price fluctuations of motor fuel.

Approved by the Board on 25 February 2022 and signed on its behalf by:



Mr DP Delves
Director

Delves & Co Limited

Directors' Report for the Period from 29 February 2020 to 28 February 2021

The directors present their report and the financial statements for the period from 29 February 2020 to 28 February 2021.

Director of the company

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

Mr DP Delves

Mrs R A Delves

Mr HTW Delves

Mr R P Delves

Financial instruments

Objectives and policies

The company's principal financial instruments combine bank balances, sales invoicing, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

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

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of loans, these comprise loans from the directors and external loans. The interest rate on these loans is variable. The company manages the liquidity risk by ensuring there are sufficient funds to meet the repayments when they fall due.

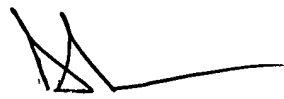
Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offer to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 25 February 2022 and signed on its behalf by:



Mr DP Delves
Director

Delves & Co Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are 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 directors are 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. They are 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.

Delves & Co Limited

Independent Auditor's Report to the Members of Delves & Co Limited

Opinion

We have audited the financial statements of Delves & Co Limited (the 'company') for the period from 29 February 2020 to 28 February 2021, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Changes in Equity, 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 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.

Delves & Co Limited

Independent Auditor's Report to the Members of Delves & Co Limited

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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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 Directors' 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 directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Delves & Co Limited

Independent Auditor's Report to the Members of Delves & Co Limited

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

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

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

There are inherent limitations in our audit procedures as 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 trustee and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.

Delves & Co Limited

Independent Auditor's Report to the Members of Delves & Co Limited

M.L. Barnes

M L Barnes (Senior Statutory Auditor)

For and on behalf of Mitchell Meredith Limited, Statutory Auditor

The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

25 February 2022

Delves & Co Limited

Profit and Loss Account and Statement of Retained Earnings for the Period from 29 February 2020 to 28 February 2021

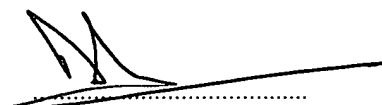
	Note	2021 £	2020 £
Turnover	3	18,010,742	21,487,654
Cost of sales		<u>(14,137,765)</u>	<u>(17,651,180)</u>
Gross profit		3,872,977	3,836,474
Administrative expenses		(2,918,118)	(3,262,413)
Other operating income	4	<u>282,299</u>	<u>235,890</u>
Operating profit	6	<u>1,237,158</u>	<u>809,951</u>
Other interest receivable and similar income	7	9,007	1,349
Interest payable and similar charges	8	<u>(138,289)</u>	<u>(167,994)</u>
		<u>(129,282)</u>	<u>(166,645)</u>
Profit before tax		1,107,876	643,306
Taxation	12	<u>(184,944)</u>	<u>(135,265)</u>
Profit for the financial period		922,932	508,041
Retained earnings brought forward		1,797,628	1,377,087
Dividends paid		<u>(80,000)</u>	<u>(87,500)</u>
Retained earnings carried forward		<u><u>2,640,560</u></u>	<u><u>1,797,628</u></u>

The notes on pages 14 to 33 form an integral part of these financial statements.

Delves & Co Limited
(Registration number: 08261006)
Balance Sheet as at 28 February 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	4,314	-
Tangible assets	14	7,472,613	6,790,342
Investments	15	175,075	-
		<u>7,652,002</u>	<u>6,790,342</u>
Current assets			
Stocks	16	963,943	977,751
Debtors	17	890,517	1,621,282
Cash at bank and in hand		235,353	368,569
		<u>2,089,813</u>	<u>2,967,602</u>
Creditors: Amounts falling due within one year	19	<u>(3,074,350)</u>	<u>(3,389,191)</u>
Net current liabilities		<u>(984,537)</u>	<u>(421,589)</u>
Total assets less current liabilities		6,667,465	6,368,753
Creditors: Amounts falling due after more than one year	19	(3,684,091)	(4,264,760)
Provisions for liabilities	20	<u>(342,812)</u>	<u>(306,363)</u>
Net assets		<u>2,640,562</u>	<u>1,797,630</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>2,640,560</u>	<u>1,797,628</u>
Shareholders' funds		<u>2,640,562</u>	<u>1,797,630</u>

Approved and authorised by the Board on 25 February 2022 and signed on its behalf by:



Mr DP Delves

Director

The notes on pages 14 to 33 form an integral part of these financial statements.

Delves & Co Limited

Statement of Changes in Equity for the Period from 29 February 2020 to 28 February 2021

	Share capital £	Profit and loss account £	Total £
At 29 February 2020	2	1,797,628	1,797,630
Profit for the period	-	922,932	922,932
Total comprehensive income	-	922,932	922,932
Dividends	-	(80,000)	(80,000)
At 28 February 2021	2	2,640,560	2,640,562
	Share capital £	Profit and loss account £	Total £
At 1 March 2019	2	1,377,087	1,377,089
Profit for the period	-	508,041	508,041
Total comprehensive income	-	508,041	508,041
Dividends	-	(87,500)	(87,500)
At 28 February 2020	2	1,797,628	1,797,630

The notes on pages 14 to 33 form an integral part of these financial statements.

Delves & Co Limited

Statement of Cash Flows for the Period from 29 February 2020 to 28 February 2021

	Note	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Cash flows from operating activities			
Profit for the period		922,932	508,041
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	386,944	302,924
(Profit)/loss on disposal of tangible assets	5	(347,111)	312
Finance income	7	(9,007)	(1,349)
Finance costs	8	138,289	167,994
Income tax expense	12	184,944	135,265
		<u>1,276,991</u>	<u>1,113,187</u>
Working capital adjustments			
Decrease in stocks	16	13,808	150,546
Decrease in trade debtors	17	730,765	278,557
Decrease in trade creditors	19	(450,046)	(404,150)
Cash generated from operations		1,571,518	1,138,140
Income taxes paid	12	-	(66,681)
Net cash flow from operating activities		<u>1,571,518</u>	<u>1,071,459</u>
Cash flows from investing activities			
Interest received	7	9,007	1,349
Acquisitions of tangible assets		(2,075,080)	(88,393)
Proceeds from sale of tangible assets		1,352,976	5,750
Acquisition of intangible assets	13	(4,314)	-
Acquisition of investments in joint ventures and associates	15	(175,075)	-
Net cash flows from investing activities		<u>(892,486)</u>	<u>(81,294)</u>
Cash flows from financing activities			
Interest paid	8	(138,289)	(167,994)
Repayment of bank borrowing		(76,947)	(83,024)
Repayment of other borrowing		(517,012)	(520,941)
Dividends paid	25	(80,000)	(87,500)
Net cash flows from financing activities		<u>(812,248)</u>	<u>(859,459)</u>
Net (decrease)/increase in cash and cash equivalents		(133,216)	130,706

The notes on pages 14 to 33 form an integral part of these financial statements.

Delves & Co Limited

Statement of Cash Flows for the Period from 29 February 2020 to 28 February 2021

	Note	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Cash and cash equivalents at 29 February		<u>368,569</u>	<u>237,863</u>
Cash and cash equivalents at 28 February		<u><u>235,353</u></u>	<u><u>368,569</u></u>

The notes on pages 14 to 33 form an integral part of these financial statements.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Craven Centre

Craven Arms

Shropshire

SY7 9PY

UK

These financial statements were authorised for issue by the Board on 25 February 2022.

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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

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

Going concern

At the balance sheet date the company had net current liabilities of £989,642. However, included in creditors are amounts owing to related parties of £1,230,669. The directors believe that with continued support of these parties together with continued support from bank finance and profitable trading it is appropriate to prepare the accounts on a going concern basis.

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.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet 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
Land and buildings	Over 50 years and 10% on cost
Plant and equipment	15% on reducing balance
Motor vehicles	25% on reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 5 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

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 profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

3 Revenue

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

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Sale of goods	17,920,171	21,439,800
Other revenue	<u>90,571</u>	<u>47,854</u>
	<u><u>18,010,742</u></u>	<u><u>21,487,654</u></u>

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Government grants	93,958	-
Miscellaneous other operating income	<u>188,341</u>	<u>235,890</u>
	<u><u>282,299</u></u>	<u><u>235,890</u></u>

5 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Gain/loss on disposal of property, plant and equipment	<u><u>347,111</u></u>	<u><u>(312)</u></u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

6 Operating profit

Arrived at after charging/(crediting)

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Depreciation expense	386,944	302,924
Operating lease expense - plant and machinery	61,507	63,424
(Profit)/loss on disposal of property, plant and equipment	<u>(347,111)</u>	<u>312</u>

7 Other interest receivable and similar income

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Interest income on bank deposits	3	7
Other finance income	<u>9,004</u>	<u>1,342</u>
	<u>9,007</u>	<u>1,349</u>

8 Interest payable and similar expenses

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Interest on bank overdrafts and borrowings	27,552	37,869
Interest on obligations under finance leases and hire purchase contracts	9,265	16,637
Interest expense on other finance liabilities	<u>101,472</u>	<u>113,488</u>
	<u>138,289</u>	<u>167,994</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

9 Staff costs

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

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Wages and salaries	1,557,733	1,461,939
Social security costs	96,161	85,382
Pension costs, defined contribution scheme	189,877	185,643
Other employee expense	150	1,175
	<u>1,843,921</u>	<u>1,734,139</u>

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

	2021 No.	2020 No.
Administration and support	<u>102</u>	<u>99</u>
	<u>102</u>	<u>99</u>

10 Directors' remuneration

The directors' remuneration for the period was as follows:

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Remuneration	144,362	138,042
Contributions paid to money purchase schemes	<u>160,000</u>	<u>160,000</u>
	<u>304,362</u>	<u>298,042</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

11 Auditors' remuneration

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Audit of the financial statements	<u>22,000</u>	<u>10,500</u>
Other fees to auditors		
All other non-audit services	<u>3,483</u>	<u>6,525</u>

12 Taxation

Tax charged/(credited) in the income statement

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Current taxation		
UK corporation tax	148,495	147,872
Deferred taxation		
Arising from origination and reversal of timing differences	<u>36,449</u>	<u>(12,607)</u>
Tax expense in the income statement	<u>184,944</u>	<u>135,265</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	29 February 2020 to 28 February 2021 £	1 March 2019 to 28 February 2020 £
Profit before tax	<u>1,107,876</u>	<u>643,306</u>
Corporation tax at standard rate	210,496	122,228
Effect of expense not deductible in determining taxable profit (tax loss)	-	59
Tax increase (decrease) from effect of capital allowances and depreciation	40,399	12,978
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(65,951)</u>	<u>-</u>
Total tax charge	<u>184,944</u>	<u>135,265</u>
Deferred tax		
Deferred tax assets and liabilities		
2021		Liability £
Origination and reversal of timing differences		<u>342,812</u>
2020		Liability £
Origination and reversal of timing differences		<u>306,363</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

13 Intangible assets

	Goodwill	Other intangible assets	Total
	£	£	£
Cost or valuation			
At 29 February 2020	200,000	-	200,000
Additions acquired separately	-	4,314	4,314
At 28 February 2021	200,000	4,314	204,314
Amortisation			
At 29 February 2020	200,000	-	200,000
At 28 February 2021	200,000	-	200,000
Carrying amount			
At 28 February 2021	-	4,314	4,314

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

14 Tangible assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 29 February 2020	5,863,076	2,322,080	39,819	8,224,975
Additions	1,717,169	299,011	58,900	2,075,080
Disposals	<u>(919,503)</u>	<u>(250,303)</u>	<u>(23,750)</u>	<u>(1,193,556)</u>
At 28 February 2021	<u>6,660,742</u>	<u>2,370,788</u>	<u>74,969</u>	<u>9,106,499</u>
Depreciation				
At 29 February 2020	548,881	863,674	22,078	1,434,633
Charge for the period	127,062	243,185	16,697	386,944
Eliminated on disposal	<u>(59,682)</u>	<u>(114,112)</u>	<u>(13,897)</u>	<u>(187,691)</u>
At 28 February 2021	<u>616,261</u>	<u>992,747</u>	<u>24,878</u>	<u>1,633,886</u>
Carrying amount				
At 28 February 2021	<u>6,044,481</u>	<u>1,378,041</u>	<u>50,091</u>	<u>7,472,613</u>
At 28 February 2020	<u>5,314,195</u>	<u>1,458,406</u>	<u>17,741</u>	<u>6,790,342</u>

Included within the net book value of land and buildings above is £5,873,000 (2020 - £5,114,827) in respect of freehold land and buildings and £171,481 (2020 - £199,368) in respect of leasehold land and buildings.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

15 Investments

	28 February 2021 £	28 February 2020 £
Investments in associates	175,075	-
Associates		£
 Cost		
 Additions		175,075
Provision		
 Carrying amount		
 At 28 February 2021		175,075

16 Stocks

	28 February 2021 £	28 February 2020 £
Stock	963,943	977,751

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

17 Debtors

	28 February 2021 £	28 February 2020 £
Trade debtors	262,146	395,038
Amounts owed by related parties	100,727	887,078
Other debtors	452,938	255,606
Prepayments	74,706	83,560
Total current trade and other debtors	<u>890,517</u>	<u>1,621,282</u>

18 Cash and cash equivalents

	28 February 2021 £	28 February 2020 £
Cash on hand	53,032	71,325
Cash at bank	182,321	297,244
	<u>235,353</u>	<u>368,569</u>

19 Creditors

	Note	28 February 2021 £	28 February 2020 £
Due within one year			
Loans and borrowings	23	1,037,289	1,050,579
Trade creditors		1,349,520	1,580,156
Amounts due to related parties		356,421	520,162
Social security and other taxes		30,262	86,243
Outstanding defined contribution pension costs		4,491	4,179
Corporation tax liability	12	296,367	147,872
		<u>3,074,350</u>	<u>3,389,191</u>
Due after one year			
Loans and borrowings	23	<u>3,684,091</u>	<u>4,264,760</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

20 Provisions for liabilities

	Deferred tax £	Total £
At 29 February 2020	306,363	306,363
Increase (decrease) in existing provisions	<u>36,449</u>	<u>36,449</u>
At 28 February 2021	<u><u>342,812</u></u>	<u><u>342,812</u></u>

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £189,877 (2020 - £151,649).

Contributions totalling £4,491 (2020 - £4,179) were payable to the scheme at the end of the period and are included in creditors.

22 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

23 Loans and borrowings

	28 February 2021 £	28 February 2020 £
Non-current loans and borrowings		
Bank borrowings	1,237,690	1,325,006
HP and finance lease liabilities	-	75,588
Other borrowings	<u>2,446,401</u>	<u>2,864,166</u>
	<u><u>3,684,091</u></u>	<u><u>4,264,760</u></u>

	28 February 2021 £	28 February 2020 £
Current loans and borrowings		
Bank borrowings	87,453	85,209
HP and finance lease liabilities	75,588	115,487
Other borrowings	<u>874,248</u>	<u>849,883</u>
	<u><u>1,037,289</u></u>	<u><u>1,050,579</u></u>

Bank borrowings

Barclays Bank loan is denominated in £ with a nominal interest rate of 2.6%, and the final instalment is due on 14 January 2024. The carrying amount at period end is £1,325,143 (2020 - £1,410,215).

The loan is repayable in monthly repayments of £9,692 and one final instalment of £1,071,139.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

Other borrowings

RR Finance Limited loan is denominated in £ with a nominal interest rate of 3.00%, and the final instalment is due on 27 November 2028. The carrying amount at year end is £2,344,915 (2020 - £2,575,866).

The loan is repayable in 180 monthly repayments of £27,623.77.

RR Finance Limited loan is denominated in £ with a nominal interest rate of 3.00%, and the final instalment is due on 30 September 2025. The carrying amount at year end is £202,110 (2020 - £238,000).

The loan is repayable in 120 monthly repayments of £3,862.33.

Montgomery Waters Limited loan is denominated in £ with a nominal interest rate of 2.35%, and the final instalment is due on 28 July 2023. The carrying amount at year end is £348,624 (2020 - £487,183).

The loan is repayable in 60 monthly repayments of £12,377.21.

R R Finance Limited loan is denominated in £ with a nominal interest rate of 3.00% and is repayable on demand. The carrying amount at the year end is £425,000 (2020 - £413,000).

Included in the loans and borrowings are the following amounts due after more than five years:

	28 February 2021 £	28 February 2020 £
After more than five years by instalments	1,793,446	2,189,853
	<hr/> <hr/>	<hr/> <hr/>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

24 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	2,949	6,535
Later than one year and not later than five years	-	2,949
	<u>2,949</u>	<u>9,484</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £7,419 (2020 - £9,816).

25 Dividends

	2021	2020
	£	£
Interim dividend of £40,000 (2020 - £43,750) per ordinary share	<u>80,000</u>	<u>87,500</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

26 Related party transactions

Transactions with directors

	At 29 February 2020 £	Advances to directors £	At 28 February 2021 £
2021			
Mr DP Delves			
Loan account	<u>255,606</u>	<u>197,332</u>	<u>452,938</u>
	At 1 March 2019 £	Advances to directors £	At 28 February 2020 £
2020			
Mr DP Delves			
Loan account	<u>-</u>	<u>255,606</u>	<u>255,606</u>

Summary of transactions with other related parties

Montgomery Waters Limited - a wholly owned subsidiary of Delfin Investments Limited. The director, Mr D P Delves is a director of Delfin Investments Limited. During the year the company bought goods from Montgomery Waters Limited at an open market rate and sold goods and services to Montgomery Waters Limited at an open market rate. Delves & Co Limited made loan repayments during the year.

Delves Subway Limited - a company owned by Mr H T W Delves.
During the year the company sold goods and services to Delves Subway Limited at an open market rate.

RR Finance Limited - a company owned by the father of Mr D P Delves.
During the year the company made loan repayments to RR Finance Limited.

Bridgeview Pension Scheme - the self administered pension scheme for Delves & Co Limited.
During the year the company received loan repayments from Bridgeview Pension Scheme.

During the year the company had rent free use of land and property owned by the shareholders.

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

Income and receivables from related parties

	Other related parties £
2021	
Sale of goods	167
Receipt of services	<u>108,000</u>
	<u>108,167</u>
Amounts receivable from related party	<u><u>106,732</u></u>

	Other related parties £
2020	
Sale of goods	231
Receipt of services	<u>112,000</u>
	<u>112,231</u>
Amounts receivable from related party	<u><u>121,863</u></u>

Expenditure with and payables to related parties

	Other related parties £
2021	
Purchase of goods	<u>24,907</u>
Amounts payable to related party	<u><u>373,046</u></u>

	Other related parties £
2020	
Purchase of goods	<u>29,199</u>
Amounts payable to related party	<u><u>522,173</u></u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 29 February 2020 to 28 February 2021

Loans to related parties

	Other related parties £	Total £
2021		
At start of period	775,253	775,253
Repaid	(776,710)	(776,710)
Interest transactions	1,712	1,712
At end of period	<u>255</u>	<u>255</u>
	Other related parties £	Total £
2020		
At start of period	829,255	829,255
Repaid	(96,000)	(96,000)
Interest transactions	41,998	41,998
At end of period	<u>775,253</u>	<u>775,253</u>

Loans from related parties

	Other related parties £	Total £
2021		
At start of period	3,714,056	3,714,056
Repaid	(494,874)	(494,874)
Interest transactions	101,472	101,472
At end of period	<u>3,320,654</u>	<u>3,320,654</u>
	Other related parties £	Total £
2020		
At start of period	4,126,914	4,126,914
Repaid	(526,354)	(526,354)
Interest transactions	113,496	113,496
At end of period	<u>3,714,056</u>	<u>3,714,056</u>