

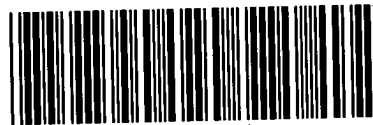
Company registration number 08261006 (England and Wales)

DELVES & CO LIMITED

Annual Report and Financial Statements

for the Year Ended 28 February 2023

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DELVES & CO LIMITED

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DELVES & CO LIMITED

Company Information

Directors	Mr D P Delves Mrs R A Delves Mr H T Delves Mr R P Delves
Company number	08261006
Registered office	Craven Centre Craven Arms Shropshire UK SY7 9PY
Auditor	Mitchell Meredith Limited The Exchange Fiveways Temple Street Llandrindod Wells Powys UK LD1 5HG

DELVES & CO LIMITED

Strategic Report

For the Year Ended 28 February 2023

The directors present the strategic report for the year ended 28 February 2023.

Principal activities

The principal activity of the company continued to be that of a supermarket.

Review of the business

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

Turnover increased from £19,021,374 to £20,382,017 - an increase of 7.2%.

Gross profit decreased from 21.0% to 19.6%.

Profit before tax decreased from £521,122 to £245,425 - a decrease of 53%

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 2023 is satisfactory and in line with expectations.

Principal risks and uncertainties

The company operates established supermarkets and filling stations 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.

On behalf of the board



Mr D P Delves

Director

29 November 2023

DELVES & CO LIMITED

Directors' Report

For the Year Ended 28 February 2023

The directors present their annual report and financial statements for the year ended 28 February 2023.

Directors

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

Mr D P Delves
Mrs R A Delves
Mr H T Delves
Mr R P Delves

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £80,000. The directors do not recommend payment of a final dividend.

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 repayments when they fall due.

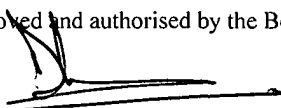
Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts for both time and credit limits.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Approved and authorised by the Board and signed on its behalf by:



Mr D P Delves
Director

29 November 2023

DELVES & CO LIMITED

Directors' Responsibilities Statement

For the Year Ended 28 February 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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 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 year ended 28 February 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

DELVES & CO LIMITED

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

DELVES & CO LIMITED

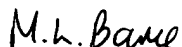
Independent Auditor's Report to the Members of Delves & Co Limited

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: <https://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.



M L Barnes FCA FCCA
Senior Statutory Auditor
For and on behalf of Mitchell Meredith Limited

29 November 2023

Chartered Accountants
Statutory Auditor

The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
UK
LD1 5HG

DELVES & CO LIMITED

Profit And Loss Account

For the Year Ended 28 February 2023

	Notes	2023 £	2022 £
Turnover	3	20,382,017	19,021,374
Cost of sales		(16,379,959)	(15,040,014)
Gross profit		4,002,058	3,981,360
Administrative expenses		(3,604,059)	(3,377,630)
Other operating income		-	12,877
Operating profit	4	397,999	616,607
Interest receivable and similar income	7	4,125	23,001
Interest payable and similar expenses	8	(156,699)	(118,486)
Profit before taxation		245,425	521,122
Tax on profit	9	(42,028)	(205,362)
Profit for the financial year		203,397	315,760

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

DELVES & CO LIMITED

Statement of Comprehensive Income

For the Year Ended 28 February 2023

	2023	2022
	£	£
Profit for the year	203,397	315,760
Other comprehensive income	-	-
Total comprehensive income for the year	<u>203,397</u>	<u>315,760</u>

DELVES & CO LIMITED

Balance Sheet

As at 28 February 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	11		4,314		4,314
Tangible assets	12		9,266,564		8,294,286
Investments	13		175,075		175,075
			<u>9,445,953</u>		<u>8,473,675</u>
Current assets					
Stocks	15	1,137,040		1,055,322	
Debtors	16	867,744		1,218,468	
Cash at bank and in hand		175,287		77,278	
		<u>2,180,071</u>		<u>2,351,068</u>	
Creditors: amounts falling due within one year	17	(5,021,306)		(4,410,791)	
Net current liabilities			<u>(2,841,235)</u>		<u>(2,059,723)</u>
Total assets less current liabilities			6,604,718		6,413,952
Creditors: amounts falling due after more than one year	18		(3,122,982)		(3,097,641)
Provisions for liabilities					
Deferred tax liability	21	482,017		439,989	
		<u>482,017</u>		<u>439,989</u>	
Net assets			<u>2,999,719</u>		<u>2,876,322</u>
Capital and reserves					
Called up share capital	23		2		2
Profit and loss reserves			2,999,717		2,876,320
Total equity			<u>2,999,719</u>		<u>2,876,322</u>

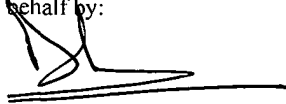
The notes on pages 14 to 27 form part of these financial statements.

DELVES & CO LIMITED

Balance Sheet

As at 28 February 2023

The financial statements were approved by the board of directors and authorised for issue on 29 November 2023 and are signed on its behalf by:



Mr D P Delves
Director

Company Registration No. 08261006

DELVES & CO LIMITED

Statement of Changes in Equity

For the Year Ended 28 February 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 March 2021		2	2,640,560	2,640,562
Year ended 28 February 2022:				
Profit and total comprehensive income for the year		-	315,760	315,760
Dividends	10	-	(80,000)	(80,000)
Balance at 28 February 2022		2	2,876,320	2,876,322
Year ended 28 February 2023:				
Profit and total comprehensive income for the year		-	203,397	203,397
Dividends	10	-	(80,000)	(80,000)
Balance at 28 February 2023		2	2,999,717	2,999,719

DELVES & CO LIMITED

Statement of Cash Flows

For the Year Ended 28 February 2023

	Notes	£	2023 £	£	2022 £
Cash flows from operating activities					
Cash generated from operations	26		285,793		1,592,100
Interest paid			(156,699)		(118,486)
Income taxes paid			(256,115)		(148,437)
Net cash (outflow)/inflow from operating activities			(127,021)		1,325,177
Investing activities					
Purchase of tangible fixed assets		(1,440,905)		(1,161,808)	
Proceeds from disposal of tangible fixed assets		55,500		14,500	
Repayment of loans		359,158		65,025	
Interest received		4,125		23,001	
Net cash used in investing activities			(1,022,122)		(1,059,282)
Financing activities					
Repayment of bank loans		1,490,184		(222,272)	
Payment of finance leases obligations		(63,454)		(412,733)	
Dividends paid		(80,000)		(80,000)	
Net cash generated from/(used in) financing activities			1,346,730		(715,005)
Net increase/(decrease) in cash and cash equivalents			197,587		(449,110)
Cash and cash equivalents at beginning of year			(213,757)		235,353
Cash and cash equivalents at end of year			(16,170)		(213,757)
Relating to:					
Cash at bank and in hand			175,287		77,278
Bank overdrafts included in creditors payable within one year			(191,457)		(291,035)

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

1 Accounting policies

Company information

Delves & Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Craven Centre, Craven Arms, Shropshire, UK, SY7 9PY.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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 Turnover when:
The amount of Turnover 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is over 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

1 Accounting policies

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Entitlements	Not depreciated
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over 50 years
Leasehold improvements	10% on cost
Fixtures and fittings	15% on reducing balance
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

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

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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

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

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

1 Accounting policies

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

Other financial assets

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

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

1 Accounting policies

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

1 Accounting policies

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2023	2022
	£	£
Other revenue		
Interest income	4,125	23,001
Grants received	-	12,877
	<u> </u>	<u> </u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(12,877)
Fees payable to the company's auditor for the audit of the company's financial statements	19,745	17,462
Depreciation of owned tangible fixed assets	420,810	323,794
(Profit)/loss on disposal of tangible fixed assets	(7,683)	1,841
Operating lease charges	210,771	205,933
	<u> </u>	<u> </u>

5 Employees

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

2023	2022
Number	Number
90	89
<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,582,354	1,499,597
Social security costs	121,948	104,503
Pension costs	222,427	223,143
	<u> </u>	<u> </u>
	1,926,729	1,827,243
	<u> </u>	<u> </u>

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	218,957	198,113
Company pension contributions to defined contribution schemes	120,000	120,000
	<u>338,957</u>	<u>318,113</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	101,923	91,923
Company pension contributions to defined contribution schemes	40,000	40,000
	<u>141,923</u>	<u>131,923</u>

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Other interest income	4,125	23,001
	<u>4,125</u>	<u>23,001</u>

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	44,119	25,355
Other interest on financial liabilities	99,785	91,348
	<u>143,904</u>	<u>116,703</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	10,507	1,783
Other interest	2,288	-
	<u>156,699</u>	<u>118,486</u>

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	-	108,185
	<u>-</u>	<u>108,185</u>

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

9 Taxation

	2023 £	2022 £
Deferred tax		
Origination and reversal of timing differences	42,028	97,177
	<u>42,028</u>	<u>97,177</u>
 Total tax charge	 42,028	 205,362
	<u>42,028</u>	<u>205,362</u>

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

	2023 £	2022 £
Profit before taxation	245,425	521,122
	<u>245,425</u>	<u>521,122</u>
 Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	46,631	99,013
Tax effect of expenses that are not deductible in determining taxable profit	(1,460)	350
Tax increase (decrease) from effect of capital allowances and depreciation	(3,143)	105,999
	<u>42,028</u>	<u>205,362</u>
Taxation charge for the year	42,028	205,362
	<u>42,028</u>	<u>205,362</u>

10 Dividends

	2023 £	2022 £
Interim paid	80,000	80,000
	<u>80,000</u>	<u>80,000</u>

11 Intangible fixed assets

	Goodwill £	Entitlements £	Total £
Cost			
At 1 March 2022 and 28 February 2023	200,000	4,314	204,314
	<u>200,000</u>	<u>4,314</u>	<u>204,314</u>
Amortisation and impairment			
At 1 March 2022 and 28 February 2023	200,000	-	200,000
	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Carrying amount			
At 28 February 2023	-	4,314	4,314
	<u>-</u>	<u>4,314</u>	<u>4,314</u>
At 28 February 2022	-	4,314	4,314
	<u>-</u>	<u>4,314</u>	<u>4,314</u>

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 March 2022	7,228,670	471,971	2,459,926	85,740	10,246,307
Additions	559,775	132,929	682,431	65,770	1,440,905
Disposals	-	-	(2,076)	(58,795)	(60,871)
At 28 February 2023	7,788,445	604,900	3,140,281	92,715	11,626,341
Depreciation and impairment					
At 1 March 2022	549,328	154,587	1,208,013	40,093	1,952,021
Depreciation charged in the year	57,816	60,490	289,927	12,577	420,810
Eliminated in respect of disposals	-	-	(576)	(12,478)	(13,054)
At 28 February 2023	607,144	215,077	1,497,364	40,192	2,359,777
Carrying amount					
At 28 February 2023	7,181,301	389,823	1,642,917	52,523	9,266,564
At 28 February 2022	6,679,342	317,384	1,251,913	45,647	8,294,286

13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in associates	14	175,075	175,075

14 Associates

Details of the company's associates at 28 February 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Planet Doughnut Limited	Knights Way, Battlefield Enterprise Park, Shrewsbury, England, SY1 3AB	Ordinary shares	32.50
Planet Doughnut Retail Limited	Knights Way, Battlefield Enterprise Park, Shrewsbury, England, SY1 3AB	Ordinary shares	32.50

15 Stocks

	2023 £	2022 £
Stock	1,137,040	1,055,322

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

16 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	273,405	208,823
Other debtors	538,847	853,311
Prepayments and accrued income	55,492	156,334
	<u>867,744</u>	<u>1,218,468</u>

17 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans and overdrafts	19	1,340,930	380,525
Obligations under finance leases	20	67,293	-
Other borrowings	19	1,173,357	899,244
Trade creditors		1,781,529	1,745,487
Corporation tax		-	256,115
Other taxation and social security		39,417	29,220
Other creditors		615,249	1,096,565
Accruals and deferred income		3,531	3,635
		<u>5,021,306</u>	<u>4,410,791</u>

18 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans and overdrafts	19	-	1,144,750
Obligations under finance leases	20	188,166	-
Other borrowings	19	2,934,816	1,952,891
		<u>3,122,982</u>	<u>3,097,641</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	273,148	564,438
	<u>273,148</u>	<u>564,438</u>

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

19 Loans and overdrafts

	2023 £	2022 £
Bank loans	4,984,498	3,494,314
Bank overdrafts	191,457	291,035
	<u>5,175,955</u>	<u>3,785,349</u>
Payable within one year	2,514,287	1,279,769
Payable after one year	<u>2,661,668</u>	<u>2,505,580</u>

Bank borrowings

Barclays Bank loan is denominated in £ with a nominal interest rate of 2.6% above base, and the final instalment is due on 14 January 2024. The carrying amount at the year end is £1,149,473 (2022 - £1,234,240).

Other borrowings

RR Finance Limited loan is denominated in £ with a nominal interest rate of 3.0%, and the final instalment is due on 27 November 2028. The carrying amount at the year end is £1,776,287 (2022 - £2,023,207). The loan is repayable in monthly repayments of £27,623.77.

RR Finance Limited loan is denominated in £ with a nominal interest rate of 3.0%, and the final instalment is due on 30 September 2025. The carrying amount at the year end is £115,075 (2022 - £157,283). The loan is repayable in monthly repayments of £3,862.43.

Montgomery Waters Limited loan is denominated in £ with a nominal interest rate of 2.351%, and the final instalment is due on 28 July 2023. The carrying amount at the year end is £61,524 (2022 - £206,748). The loan is repayable in monthly repayments of £12,377.21.

RR Finance Limited loan is denominated in £ with a nominal interest rate of 3.0%, and is repayable on demand. The carrying amount at the year end is £449,274 (2022 - £437,274).

RR Finance Limited loan is denominated in £ with a nominal interest rate of 4.0%, and the final instalment is due on 28 February 2027. The carrying amount at the year end is £250,219 (2022 - £Nil). The loan is repayable in monthly repayments of £5,524.96.

Bridgeview Pension Scheme loan is denominated in £ with a nominal interest rate of 5.0%, and the final instalment is due on 16 December 2027. The carrying amount at the year end is £1,455,794 (2022 - £Nil). The loan is repayable in monthly repayments of £28,307.

20 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	67,293	-
In two to five years	188,166	-
	<u>255,459</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets.

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

21 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	482,017	439,989
	<u>482,017</u>	<u>439,989</u>
Movements in the year:		2023 £
Liability at 1 March 2022		439,989
Charge to profit or loss		42,028
		<u>482,017</u>
Liability at 28 February 2023		<u>482,017</u>

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	222,427	223,143
	<u>222,427</u>	<u>223,143</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

24 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
Other related parties	921	377	85,578	79,744
	<u>921</u>	<u>377</u>	<u>85,578</u>	<u>79,744</u>

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

24 Related party transactions

	Services provided 2023 £	Services provided 2022 £
Other related parties	112,000	110,000
	<u>112,000</u>	<u>110,000</u>
Amounts due to related parties	2023 £	2022 £
Other related parties	620,748	1,076,948
	<u>620,748</u>	<u>1,076,948</u>
The following amounts were outstanding at the reporting end date:		
Amounts due from related parties	2023 £	2022 £
Other related parties	225,901	140,638
	<u>225,901</u>	<u>140,638</u>

25 Directors' transactions

Dividends totalling £80,000 (2022 - £80,000) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Directors loan account	2.00	387,913	184,228	4,125	(547,511)	28,755
		<u>387,913</u>	<u>184,228</u>	<u>4,125</u>	<u>(547,511)</u>	<u>28,755</u>

DELVES & CO LIMITED

Notes to the Financial Statements

For the Year Ended 28 February 2023

26 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	203,397	315,760
Adjustments for:		
Taxation charged	42,028	205,362
Finance costs	156,699	118,486
Investment income	(4,125)	(23,001)
(Gain)/loss on disposal of tangible fixed assets	(7,683)	1,841
Depreciation and impairment of tangible fixed assets	420,810	323,794
Movements in working capital:		
Increase in stocks	(81,718)	(91,379)
Increase in debtors	(8,434)	(378,045)
(Decrease)/increase in creditors	(435,181)	1,119,282
Cash generated from operations	285,793	1,592,100

27 Analysis of changes in net debt

	1 March 2022 £	Cash flows £	28 February 2023 £
Cash at bank and in hand	77,278	98,009	175,287
Bank overdrafts	(291,035)	99,578	(191,457)
	(213,757)	197,587	(16,170)
Borrowings excluding overdrafts	(3,494,314)	(1,490,184)	(4,984,498)
Obligations under finance leases	(592,061)	63,454	(528,607)
	(4,300,132)	(1,229,143)	(5,529,275)