

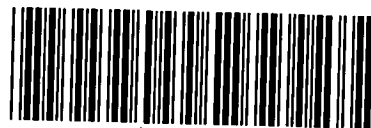
Taylorred Investments Limited

**Annual report and financial
statements**

Registered number 09458725

For the year ended 31 December 2021

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Directors and advisors

Directors

J Halford

G Grainger

B Chapman (appointed 19 April 2021 and resigned 9 March 2022)

SJ Whatmore (appointed 9 March 2022)

Secretary

SJ Whatmore

Administrative and registered office

Unit 288 Hartlebury Trading Estate

Hartlebury

Kidderminster

Worcestershire

England

DY10 4JB

Independent Auditors

PricewaterhouseCoopers LLP

One Chamberlain Square

Birmingham

B3 3AX

Bankers

The Royal Bank of Scotland plc

1st Floor

1 Hardman Boulevard

Manchester

M3 3AQ

Solicitors

Freeths

6 Bennetts Hill

Birmingham

B2 5ST

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

Directors

The directors who served during the year and up to the date of signing the financial statements are as follows:

J Halford
G Grainger
B Chapman (appointed 19th April 2021 and resigned 9 March 2022)
SJ Whatmore (appointed 9th March 2022)

Dividends

The directors do not recommend the payment of a dividend (2020: *£nil*).

Business Overview and Outlook

The main trading activity of the Company is the distribution of timber based products for the garden. Distribution operations are centred at the Hartlebury and Clows Top facilities (Worcestershire).

The board regards its key financial indicators as profit/(loss) before taxation (2021: *£501k profit*, 2020: *£513k profit*) and net assets/(liabilities) (2021: *£300k*, 2020: *£108k*).

2021 saw the company continue to benefit from nationwide Covid-19 lockdowns in the first half of the year as the nation continued to focus on home improvements and online retail. Demand reduced in the 2nd half of the year as entertainment and foreign travel reopened increasing competition on consumer spend. Lead times were reduced as supply chain issues eased and stock availability increased, helping to offset the reduction in demand. Strong sales and cashflows in the year meant the company finished in a net assets position of £300k compared to net liabilities of £108k in 2020.

Financial instruments

The company uses financial instruments including cash, borrowings and debt factoring from the group, the main purpose of which are to raise finance for the company's activities. It is the company's policy not to enter into trading of a speculative nature in respect of financial instruments.

Political and charitable donations

The company made no political or charitable donations or incurred any political expenditure during the year.

Future developments

During 2022 the company has made significant investments in website improvements to improve the speed and usability for the consumer. These changes will be complete by the end of the year in time for the 2023 season.

Going concern

The Board of Directors do not anticipate COVID-19 having a material impact on the company and therefore there are no concerns regarding the on-going operations of the company.

As set out more fully in note 1 of the accounting policies, the directors believe that the company will be able to continue to pay its debts as they fall due and have, therefore, prepared the financial statements on a going concern basis.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Directors' report (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware;
- and they have taken all the 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

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

Strategic report

The directors have chosen to take the small companies exemption conferred by Companies Act 2006, section 414B, and not provide a strategic report.

Small company provisions

This report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption within part 15 of the Companies Act.

Approved and signed on behalf of the Board on 16th November 2022.


G Grainger

Director

Independent auditors' report to the directors of Taylorred Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Taylorred Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the profit and loss account; and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the directors of Taylorred Investments Limited (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

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 year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Corporation tax law, environmental laws, employment laws, health and safety regulations, general data protection regulation and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of results via the posting of unusual journals to revenue. Audit procedures performed by the engagement team included:

Independent auditors' report to the directors of Taylorred Investments Limited (continued)

- Obtaining an understanding of the internal control environment in relation to revenue recognition and journal postings
- Enquiry of management and reviewing minutes of meetings of those charged with governance
- Review of legal expense accounts and board minutes for indications of non-compliance
- Substantive testing of manual journals crediting revenue and debiting an unexpected account
- Reviewing accounting estimates for bias and validating the support behind the assumptions and judgements made by management including challenging against possible alternatives

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Kingsbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
16 November 2022

Profit and loss account
for the year ended 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Turnover	2	9,299	11,236
Cost of sales		(6,120)	(7,319)
Gross profit		3,179	3,917
Administrative expenses		(2,678)	(3,404)
Profit before taxation		501	513
Tax on profit	7	(93)	(49)
Profit for the financial year		408	464

All amounts relate to continuing operations.

There are no gains or losses other than those shown above and, therefore, no separate statement of comprehensive income has been presented.

The notes on pages 10 to 18 form an integral part of these financial statements.

Balance sheet
as at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	8		20		23
Tangible assets	9		141		201
			<u>161</u>		<u>224</u>
Current assets					
Debtors	10	2,258		1,426	
Cash at bank and in hand		211		382	
		<u>2,469</u>		<u>1,808</u>	
Creditors: Amounts falling due within one year	11	<u>(2,330)</u>		<u>(2,140)</u>	
Net current assets/(liabilities)			<u>139</u>		<u>(332)</u>
Total assets less current liabilities			<u>300</u>		<u>(108)</u>
Capital and reserves					
Called-up share capital	12		-		-
Profit and loss account			300		(108)
Total shareholders' funds/(deficit)			<u>300</u>		<u>(108)</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

These financial statements on pages 7 to 17 were approved by the board of directors on 16th November 2022 and were signed on its behalf by:


G. Grainger
Director

Company number: 09458725

Statement of changes in equity
for the year ended 31 December 2021

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	-	(572)	(572)
Total comprehensive income for the year			
Profit for the financial year	-	464	464
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	464	464
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	-	(108)	(108)
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2021	-	(108)	(108)
Total comprehensive income for the year			
Profit for the financial year	-	408	408
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	408	408
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	-	300	300
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Taylorred Investments Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England in the UK. The company's registration number is 09458725 and the registered address is Unit 288, Hartlebury Trading Estate, Hartlebury, Kidderminster, Worcestershire, DY10 4JB.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

The company's ultimate parent undertaking, Forest Garden Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Forest Garden Group Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash flow statement and related notes; and
- Key management personnel compensation.

1.1 *Measurement convention*

The financial statements are prepared on the historical cost basis.

1.2 *Going concern*

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The Company is in a net asset position and is dependent for its working capital on funds provided to it by Forest Garden Group Limited, the company's ultimate parent undertaking. Forest Garden Group Limited has provided the company with an intent that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This includes intent to support the settlement of any intercompany balances if they become due. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 *Basic financial instruments*

Trade and other debtors

Financial instruments are recognised in accordance with section 11 and 12 of FRS 102. Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is

Notes (continued)

1 Accounting policies (continued)

1.3 Basic financial instruments (continued)

Trade and other creditors (continued)

measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.4 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- equipment 5 years
- fixtures and fittings 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Intangible assets, goodwill and negative goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. Goodwill is amortised over 10 years.

1.6 Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.7 Turnover

Turnover comprises amounts invoiced in respect of goods supplied during the year, excluding value added tax. Turnover arises primarily in the UK and the directors consider there to be only one business segment, being the manufacture and sale of timber products for the retail garden sector. Revenue is recognised at the point that risks and rewards are transferred, this is deemed to be on delivery.

1.8 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the years during which services are rendered by employees.

Notes (continued)

1 Accounting policies (continued)

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.10 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs, the company tests the impairment of goodwill by determining the recoverable amount of the entity in its entirety, including the integrated acquired operations.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

1.10 Significant accounting judgements and estimates

The Directors consider that these financial statements do not contain any significant accounting judgements or estimates.

Notes (continued)

2 Turnover

	2021 £000	2020 £000
Sale of goods	9,299	11,236

All goods are sold within the UK.

3 Auditors' remuneration

	2021 £000	2020 £000
Audit of these financial statements	6	8

Amounts paid to the company's auditors in respect of services to the company other than the audit of the company's financial statements have not been disclosed as this information is disclosed on a consolidated basis in the financial statements of Forest Garden Group Limited.

All costs have been borne by other group companies in the current year.

4 Government grants

Government grants relating to costs are recognised as other income in the profit and loss account over the period necessary to match them with the costs that they were intended to compensate.

5 Remuneration of directors

The directors did not provide material qualifying services to the company. The remuneration for the directors is borne by another group entity.

6 Staff numbers and costs

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

	Number of employees	
	2021	2020
Office administration and management	22	27

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	678	729
Social security costs	66	66
Other pension costs	30	31

Notes (continued)

7 Tax on profit

Total tax expense recognised in the profit and loss account

	2021 £000	2021 £000	2020 £000	2020 £000
<i>Current tax</i>				
Adjustment in respect of prior year	-		-	
Current Tax	(100)		-	
	<hr/>		<hr/>	
Total current tax charge		(100)		-
<i>Deferred tax (note 10)</i>				
Origination and reversal of timing differences	5		(55)	
Adjustment in respect of prior year	1		-	
Impact of rate change	<u>1</u>		<u>6</u>	
Total deferred tax credit/(charge)		7		(49)
		<hr/>		<hr/>
Tax charge on profit		(93)		(49)
		<hr/>		<hr/>

The net deferred tax liability expected to reverse in 2022 is £1,401.

Reconciliation of tax charge

Tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for year ended 31st December 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Profit for the year	408	464
Total tax charge	<u>93</u>	<u>49</u>
Profit before taxation	501	513
Tax using the UK corporation tax rate of 19% (2020: 19%)	95	97
Origination and reversal of timing differences	-	(55)
Impact of rate change	(1)	6
Other timing differences	<u>(1)</u>	<u>1</u>
Total Tax charge	<hr/> 93 <hr/>	<hr/> 49 <hr/>

The directors recognise an asset in relation to deferred taxation only to the extent that its utilisation can be forecast, with reasonable certainty, in the foreseeable future.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This has now been substantively enacted and its effects are included in these financial statements.

Notes (continued)

8 Intangible assets

	Goodwill £000
<i>Cost</i>	
At beginning of year	109
Additions	—
At end of year	109
<i>Accumulated amortisation</i>	
At beginning of year	86
Amortisation for the year	3
At end of year	89
<i>Net book value</i>	
At 31 December 2021	20
At 31 December 2020	23

9 Tangible assets

	Equipment and fixtures and fittings £000
<i>Cost</i>	
At beginning of year	703
Additions	73
Disposals	—
At end of year	776
<i>Accumulated depreciation</i>	
At beginning of year	502
Charge for the year	133
At end of year	635
<i>Net book value</i>	
At 31 December 2021	141
At 31 December 2020	201

Notes (continued)

10 Debtors

	2021 £000	2020 £000
Trade debtors	125	188
Amounts owed by group undertakings	2,067	1,167
Deferred tax asset	7	-
Prepayments and accrued income	59	71
	<u>2,258</u>	<u>1,426</u>

Trade debtors are net of bad debt provision of £nil (2020 £nil).

The amounts owed by group undertakings are unsecured and repayable on demand and interest free.

Deferred tax asset is attributable to the difference between accumulated depreciation and capital allowances.
Deferred tax asset is as follows:

	2021 £000
At beginning of year	-
Credit to profit and loss account in the year	7
	<u>7</u>
At end of year	<u>7</u>

The provision for deferred tax consists of the following deferred tax assets:

	2021 £000	2020 £000
Fixed asset timing differences	5	-
Short term timing differences	2	-
Losses	-	-
	<u>7</u>	<u>-</u>

The net deferred tax liability expected to reverse in 2022 is £1,401.

11 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	506	432
Other creditors	845	1,092
Accruals and deferred income	879	616
Tax Payable	100	-
	<u>2,330</u>	<u>2,140</u>

Notes (continued)

12 Called up share capital

	2021 £000	2020 £000
<i>Allotted, called up and fully paid</i>		
One (2020 : one) ordinary share of £1 each	-	-

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

13 Contingent liabilities

There is a cross-guarantee in respect of bank loans and facilities for all members of the group. At 31 December 2021, the group position was a £nil liability (2020: £nil).

14 Related party transactions

As the company is a wholly owned subsidiary of Forest Garden Group Limited, the company has taken advantage of the exemption contained in FRS 102 and has, therefore, not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Forest Garden Group Limited, within which this company is included, can be obtained from the address given in note 15.

15 Ultimate controlling party

The company's immediate parent company is FG Investments Limited, the registered address is Unit 288, Hartlebury Trading Estate, Hartlebury, Kidderminster, Worcestershire, DY10 4JB.

At 31 December 2021, the directors consider Forest Garden Group Limited to be the ultimate controlling party. The registered address is Unit 288, Hartlebury Trading Estate, Hartlebury, Kidderminster, Worcestershire, DY10 4JB.

The smallest and largest group in which the results of the company are consolidated is that headed by Forest Garden Group Limited, incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ