

WARWICK ACQUISITIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
Company Registration No. 08876860 (England and Wales)

FRIDAY



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WARWICK ACQUISITIONS LIMITED

COMPANY INFORMATION

Directors	Mr B Johnson Mr G Johnson Miss G Johnson Mrs J Johnson Mr S Johnson
Company number	08876860
Registered office	36 Howe Street Liverpool L20 8NG
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

WARWICK ACQUISITIONS LIMITED

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WARWICK ACQUISITIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Business review

The Group's principal activity is the fabrication of UPVC and aluminium windows and doors.

The results for the year show turnover of £11,584,501 (2022: £11,969,927), a gross margin of 35.2% (2022: 34.1%) and net profit after tax of £1,601,928 (2022: £1,220,369).

This financial year has saw a significant realignment of shareholdings and a subsequent change of managing director. This change brought new ideas and led to a strategic directional change of the Group. Using various platforms management sought to promote and publicise the Group, its sustainable energy efficient products and its social values within the city region. Focus was aimed towards the Housing Association market, an area which previously represented only a small percentage of Group turnover.

Principal risks and uncertainties

Management continually monitor the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Group are as follows:-

Cash flow - the cash flow consequences of customers delaying payment for goods supplied. The board continue to devote management time to the management of the debtors' ledger.

Costs pressure - supplier price pressure and the Group's ability to pass supply chain price increases onto its customers.

The Group acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties.

Loss of key personnel - this would present significant operational difficulties for the Group. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

There is continuing uncertainty around the ongoing impact of Brexit and Covid on the UK economy. Risks being considered include a slowdown in demand resulting from uncertainty and potential disruption to supply lines, Government policy in respect of the construction of housing and commercial properties and the availability of workforce, all of which management will continue to monitor closely.

Financial key performance indicators

Management use a range of performance measures to monitor and manage the business. In addition to the profit margin, turnover and net margin referred to above, management also uses the following performance measures:-

- Current ratio: 3.1 (2022: 2.2)
- Quick ratio: 1.9 (2022: 1.8)
- Total assets/total liabilities ratio: 3.3 (2022: 2.4)

Future developments

The directors plan to make the Group more profitable in the future through synergies / reduced cost base obtained through its increased number of subsidiaries.

On behalf of the board



Mr G Johnson
Director

20/12/2023
Date:

WARWICK ACQUISITIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The Group's principal activity is the fabrication of UPVC and aluminium windows and doors. There have not been any significant changes in the Group's principal activities in the year under review and the directors are not aware, at the date of this report, of any likely changes in the Group's principal activities in the forthcoming year.

Results and dividends

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

Ordinary dividends were paid amounting to £483,522. The directors do not recommend payment of a further dividend.

Directors

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

Mr B Johnson
Mr G Johnson
Miss G Johnson
Mrs J Johnson
Mr S Johnson

Financial instruments

The Group's operations expose it to a variety of financial risks that principally include the effects of changes in price risk, credit risk and liquidity risk.

Liquidity risk

The Group is cash generative but has access to both banking and third party facilities which would ensure continuity of funding with repayment profiles which could be met in both the short and long term if required.

Credit risk

The Group has policies that require appropriate credit checks on customers to be made before trading commences. The nature of the group's customers are such that any credit risks are deemed low.

Price risk

The Group tries to agree long term price arrangements with both suppliers and customers wherever possible to maintain certainty. Recent changes in the UK economy and supply chains have made this more difficult.

Auditor

The auditor, DSG, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments of the business.

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 auditor of the company 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 auditor of the company is aware of that information.

WARWICK ACQUISITIONS LIMITED

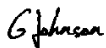
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board



.....
Mr G Johnson
Director

Date: 20/12/2023
.....

WARWICK ACQUISITIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures *disclosed and explained in the financial statements*;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

WARWICK ACQUISITIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WARWICK ACQUISITIONS LIMITED

Opinion

We have audited the financial statements of Warwick Acquisitions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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.

WARWICK ACQUISITIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WARWICK ACQUISITIONS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and the parent company, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and UK employment laws and regulations, both indirectly, and could have a direct impact 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 the 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 posting inappropriate journal entries to revenue and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included: enquiries of management and those charged with governance as to whether the group and parent company complies with such laws and regulations; enquiries with same as to any actual or potential litigations or claims; inspection of relevant legal correspondence; review of board minutes; testing of the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the group and parent company's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

WARWICK ACQUISITIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WARWICK ACQUISITIONS LIMITED

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.

Angela Harrison

Angela Harrison BA FCA (Senior Statutory Auditor)
For and on behalf of DSG

20/12/2023

Date:

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

WARWICK ACQUISITIONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	11,584,501	11,969,627
Cost of sales		(7,508,728)	(7,885,277)
Gross profit		4,075,773	4,084,350
Administrative expenses		(2,446,808)	(2,472,326)
Other operating income		307,040	14,560
Operating profit	6	1,936,005	1,626,584
Interest receivable and similar income		9,057	111
Interest payable and similar expenses	7	(10,210)	(17,138)
Profit before taxation		1,934,852	1,609,557
Tax on profit	8	(332,924)	(389,188)
Profit for the financial year	23	1,601,928	1,220,369
Profit for the financial year is attributable to:			
- Owner of the parent company		1,601,928	1,214,999
- Non-controlling interests		-	5,370
		1,601,928	1,220,369
Total comprehensive income for the year is attributable to:			
- Owner of the parent company		1,601,928	1,214,999
- Non-controlling interests		-	5,370
		1,601,928	1,220,369

The notes on pages 14 to 31 form part of these financial statements.

WARWICK ACQUISITIONS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		609,133		743,357
Tangible assets	12		774,558		851,449
			<u>1,383,691</u>		<u>1,594,806</u>
Current assets					
Stocks	15	551,996		612,158	
Debtors	16	2,718,472		1,392,114	
Cash at bank and in hand		2,452,024		2,857,069	
		<u>5,722,492</u>		<u>4,861,341</u>	
Creditors: amounts falling due within one year	17	(1,872,150)		(2,244,924)	
Net current assets			<u>3,850,342</u>		<u>2,616,417</u>
Total assets less current liabilities			<u>5,234,033</u>		<u>4,211,223</u>
Creditors: amounts falling due after more than one year	18		(113,706)		(190,227)
Provisions for liabilities					
Deferred tax liability	20	183,180		202,255	
		<u>(183,180)</u>		<u>(202,255)</u>	
Net assets			<u>4,937,147</u>		<u>3,818,741</u>
Capital and reserves					
Called up share capital	22		100,000		100,000
Other reserves	23		(93,748)		(93,748)
Profit and loss reserves	23		4,930,895		3,812,489
Total equity			<u>4,937,147</u>		<u>3,818,741</u>

The notes on pages 14 to 31 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

20/12/2023

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

G Johnson

Mr G Johnson
Director

Company registration number 08876860 (England and Wales)

WARWICK ACQUISITIONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

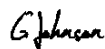
	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	13		4,573,512		4,573,512
Current assets					
Debtors	16	1,501,227		1,201	
Cash at bank and in hand		4,791		3,134	
		1,506,018		4,335	
Creditors: amounts falling due within one year	17	(3,206,671)		(3,791,531)	
Net current liabilities			(1,700,653)		(3,787,196)
Net assets			2,872,859		786,316
Capital and reserves					
Called up share capital	22		100,000		100,000
Profit and loss reserves	23		2,772,859		686,316
Total equity			2,872,859		786,316

The notes on pages 14 to 31 form part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,570,065 (2022 - £86,501 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 20/12/2023 and are signed on its behalf by:



Mr G Johnson
Director

Company registration number 08876860 (England and Wales)

WARWICK ACQUISITIONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Merger reserves £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 April 2021		1	-	2,474,259	2,474,260	404,112	2,878,372
Year ended 31 March 2022:							
Profit and total comprehensive income		-	-	1,214,999	1,214,999	5,370	1,220,369
Issue of share capital	22	99,999	-	-	99,999	-	99,999
Dividends	10	-	-	(280,000)	(280,000)	-	(280,000)
Purchase of shares in subsidiary from non-controlling interest		-	-	403,231	403,231	(409,482)	(6,251)
Arising from acquisition - note 25		-	(93,748)	-	(93,748)	-	(93,748)
Balance at 31 March 2022		100,000	(93,748)	3,812,489	3,818,741	-	3,818,741
Year ended 31 March 2023:							
Profit and total comprehensive income		-	-	1,601,928	1,601,928	-	1,601,928
Dividends	10	-	-	(483,522)	(483,522)	-	(483,522)
Balance at 31 March 2023		100,000	(93,748)	4,930,895	4,937,147	-	4,937,147

The notes on pages 14 to 31 form part of these financial statements.

WARWICK ACQUISITIONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2021		1	795,815	795,816
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	86,501	86,501
Issue of share capital	22	99,999	-	99,999
Dividends	10	-	(196,000)	(196,000)
Balance at 31 March 2022		100,000	686,316	786,316
Year ended 31 March 2023:				
Profit and total comprehensive income		-	2,570,065	2,570,065
Dividends	10	-	(483,522)	(483,522)
Balance at 31 March 2023		100,000	2,772,859	2,872,859

The notes on pages 14 to 31 form part of these financial statements.

WARWICK ACQUISITIONS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	28	2,492,788		1,716,117	
Interest received		9,057		111	
Interest paid		(10,210)		(17,138)	
Income taxes paid		(371,074)		(180,429)	
Net cash inflow from operating activities		<u>2,120,561</u>		<u>1,518,661</u>	
Investing activities					
Purchase of tangible fixed assets		(136,177)		(103,096)	
Proceeds from disposal of tangible fixed assets		-		15,265	
Loans made to other entities		<u>(1,800,000)</u>		<u>-</u>	
Net cash used in investing activities			<u>(1,936,177)</u>		<u>(87,831)</u>
Financing activities					
Repayment of bank loans		-		(50,000)	
Payment of finance leases obligations		(105,907)		(165,422)	
Dividends paid to equity shareholders		<u>(483,522)</u>		<u>(280,000)</u>	
Net cash used in financing activities			<u>(589,429)</u>		<u>(495,422)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(405,045)</u>		<u>935,408</u>
Cash and cash equivalents at beginning of year		2,857,069		1,921,661	
Cash and cash equivalents at end of year		<u>2,452,024</u>		<u>2,857,069</u>	

The notes on pages 14 to 31 form part of these financial statements.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Warwick Acquisitions Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 36 Howe Street, Bootle, Liverpool, L20 8NG.

The principal activity of the group is the fabrication of UPVC and aluminium windows and doors.

The group consists of Warwick Acquisitions Limited and its subsidiaries as shown in note 14.

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. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.3 Basis of consolidation

During the year ended 31 March 2023 the company, and group, had 65% of its issued share capital acquired by Warwick Holdings Group Limited, a company registered in England and Wales. The first group financial statements to be prepared by the group headed by Warwick Holdings Group Limited will be to the period ended 31 March 2024 and thus Warwick Acquisition Limited is required to prepare group accounts for the year ended 31 March 2023.

The consolidated group financial statements consist of the financial statements of the parent company Warwick Acquisitions Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the group control is accounted for as a business combination. Thereafter where the group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

1.4 Going concern

In assessing going concern, the directors have considered the group-wide financial projections which have been prepared for a period at least to 31 March 2025 which show that the group continues to trade profitably and has the available funding to ensure it will be able to meet its debts as they fall due. At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Other income

In 2021 the group took advantage of Government support made available to businesses to help mitigate the impact of Covid-19, including cash contributions under the Job Retention Scheme. Grant income is recognised when it is reasonably certain that the cash will be received and that all eligibility criteria have been met. Grant income is recognised within other income.

Other income also includes insurance policy receipts which are recognised on a receivable basis.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 10 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.

1.7 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:

Plant and machinery	15/25% straight line
Fixtures, fittings and equipment	15% straight line
Office equipment	25/50% straight line
Motor vehicles	25% straight line

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 recognised in the profit and loss account.

1.8 Fixed asset investments

Investments in subsidiaries and associates are all held at cost in the separate financial statements of the company.

A subsidiary is an entity controlled by the group. 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 group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

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

Financial assets and liabilities are offset and 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.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.13 Equity instruments

Equity instruments issued by the group 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 group.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Taxation

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

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 group'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 if, and only if, there is 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.

1.15 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.

1.16 Retirement benefits

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

1.17 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 leased asset are consumed.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.18 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.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing fair values of intangible assets

The group is required to evaluate the fair value of the assets and liabilities of the acquired party where the acquisition is accounted for as a business combination. The directors' assessment of fair values requires detailed judgement alongside consideration of the useful economic life of the goodwill.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of amounts recoverable on contracts

Amounts recoverable on contracts are based on a stage of completion determined by the group on the basis of progress on the contract to the reporting end date.

Recoverability of receivables

The group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability and the credit profile of individual or groups of customers.

Determining and reassessing residual values and useful economic lives of tangible and intangible assets

The group depreciates tangible assets, and amortises intangible assets, over their estimated useful lives. In determining appropriate useful lives of assets, the directors have considered historic performance as well as future expectations for factors such as expected usage of the asset, physical wear and tear and technical and commercial obsolescence. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied to determine the residual values for tangible assets. When determining the residual values, the directors have assessed the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. At each reporting date, the directors have also assessed whether there have been any indicators, such as a change in how the asset is used, significant unexpected wear and tear and changes in market prices, which suggest previous estimates may differ from current expectations. Where this is the case, the residual value and/or useful life is amended and accounted for on a prospective basis

3 Turnover and other revenue

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

All turnover arose within the United Kingdom.

4 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,920	5,000
Audit of the financial statements of the company's subsidiaries	7,000	8,275
	<u>12,920</u>	<u>13,275</u>
For other services		
Taxation compliance services	1,880	660
All other non-audit services	4,205	1,315
	<u>6,085</u>	<u>1,975</u>

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Production	66	66	-	-
Directors	5	5	5	4
Administration	43	43	-	-
Total	114	114	5	4

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	2,995,353	3,084,258	-	-
Social security costs	109,214	115,734	-	-
Pension costs	23,478	24,671	-	-
	3,128,045	3,224,663	-	-

6 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(1,716)	(10,261)
Depreciation of owned tangible fixed assets	115,535	159,408
Depreciation of tangible fixed assets held under finance leases	97,533	106,157
Profit on disposal of tangible fixed assets	-	(14,803)
Amortisation of intangible assets	134,224	134,224
Operating lease charges	-	8,476

7 Interest payable and similar expenses

	2023 £	2022 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	7,462	10,169
Other interest	2,748	6,969
Total finance costs	10,210	17,138

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	359,886	368,075
Adjustments in respect of prior periods	(7,887)	6,113
Total current tax	351,999	374,188
Deferred tax		
Origination and reversal of timing differences	(19,075)	15,000
Total tax charge	332,924	389,188

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	1,934,852	1,609,557
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	367,622	305,816
Tax effect of expenses that are not deductible in determining taxable profit	15,793	5,991
Tax effect of income not taxable in determining taxable profit	(57,000)	-
Adjustments in respect of prior years	-	48,426
Permanent capital allowances in excess of depreciation	(6,995)	-
Amortisation on assets not qualifying for tax allowances	25,502	25,503
Other non-reversing timing differences	(4,111)	(2,539)
Under/(over) provided in prior years	(7,887)	5,991
Taxation charge	332,924	389,188

9 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	33,885	90,827
Company pension contributions to defined contribution schemes	86	1,005
	33,971	91,832

The benefits in kind received by the director in the year totalled £1,198 (2022: £3,671).

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Final paid	483,522	196,000

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2022 and 31 March 2023	1,342,245
Amortisation and impairment	
At 1 April 2022	598,888
Amortisation charged for the year	134,224
At 31 March 2023	733,112
Carrying amount	
At 31 March 2023	609,133
At 31 March 2022	743,357

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings and equipment	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022	1,873,355	250,264	215,579	306,729	2,645,927
Additions	56,339	320	11,346	68,172	136,177
At 31 March 2023	1,929,694	250,584	226,925	374,901	2,782,104
Depreciation and impairment					
At 1 April 2022	1,225,349	150,088	182,296	236,745	1,794,478
Depreciation charged in the year	134,303	24,656	24,722	29,387	213,068
At 31 March 2023	1,359,652	174,744	207,018	266,132	2,007,546
Carrying amount					
At 31 March 2023	570,042	75,840	19,907	108,769	774,558
At 31 March 2022	648,006	100,176	33,283	69,984	851,449

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Plant and machinery	373,247	470,780	-	-
Fixtures, fittings and equipment	-	100	-	-
Motor vehicles	2,000	12,625	-	-
	375,247	483,505	-	-

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	4,573,512	4,573,512

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022 and 31 March 2023	4,573,512
Carrying amount	
At 31 March 2023	4,573,512
At 31 March 2022	4,573,512

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Warwick Development (North West) Limited	England, UK	Fabrication of UPVSC windows and doors	Ordinary shares	100.00
Warwick UPVC Sliders Limited	England, UK	Sale of UPVC Bi-Folding doors and Vertical Sliding UPVC windows	Ordinary shares	100.00
Warwick Aluminium Limited	England, UK	Sale of Aluminium windows and doors	Ordinary shares	100.00

All of the subsidiaries are included in the consolidated financial statements.

The following trading subsidiaries have not been audited in accordance with Section 479A of the Companies Act:-

Company	Company number
Warwick Aluminium Limited	10844570
Warwick UPVC Sliders Limited	07595046

15 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables	551,996	612,158	-	-

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	952,065	1,134,722	-	-
Amounts recoverable on long term contracts	96,298	90,478	-	-
Amounts owed by group undertakings	1,500,000	-	1,500,000	-
Other debtors	464	637	-	-
Prepayments and accrued income	169,645	166,277	1,227	1,201
	<u>2,718,472</u>	<u>1,392,114</u>	<u>1,501,227</u>	<u>1,201</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Obligations under finance leases	19	76,521	105,907	-	-
Payments received on account		70,797	110,906	-	-
Trade creditors		945,617	1,179,553	-	-
Amounts owed to group undertakings		-	-	3,159,919	3,759,701
Corporation tax payable		333,498	352,573	26,745	23,191
Other taxation and social security		347,316	356,406	787	96
Other creditors		17,201	20,864	-	-
Accruals and deferred income		81,200	118,715	19,220	8,543
		<u>1,872,150</u>	<u>2,244,924</u>	<u>3,206,671</u>	<u>3,791,531</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Obligations under finance leases	19	113,706	190,227	-	-

19 Finance lease obligations

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	76,521	105,907	-	-
In two to five years	113,706	190,227	-	-
	<u>190,227</u>	<u>296,134</u>	<u>-</u>	<u>-</u>

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company or group 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. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	183,180	202,255

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 April 2022	202,255	-
Credit to profit or loss	(19,075)	-
Liability at 31 March 2023	183,180	-

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	23,478	24,671

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

22 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A shares of £1 each	20,000	51,000	20,000	51,000
Ordinary B shares of £1 each	65,040	8,886	65,040	8,886
Ordinary C shares of £1 each	2,480	2,480	2,480	2,480
Ordinary D shares of £1 each	10,000	35,154	10,000	35,154
Ordinary E shares of £1 each	2,480	2,480	2,480	2,480
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

On 27 January 2023, 31,000 ordinary £1 A shares and 25,154 ordinary £1 D shares were redesignated to 56,154 ordinary £1 B shares.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Reserves

Merger reserve

The merger reserve arises upon acquisition of the subsidiary undertaking, Warwick Aluminium Limited, by way of share for share exchange, accounted for at nominal value by taking advantage of merger relief available in section 612 of the Companies Act 2006. This reserve represents the difference between the nominal value of the shares issued £93,748 less any fair value consideration received, nil.

Profit and loss account

This reserve represents cumulative profits and losses.

24 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	35,582	46,832	-	-
Between two and five years	5,038	40,620	-	-
	<u>40,620</u>	<u>87,452</u>	<u>-</u>	<u>-</u>

25 Related party transactions

Transactions with related parties

Warwick Properties LLP is a related party due to common members and directors. During the year Warwick Properties LLP recharged £104,956 (2022: £104,522) to the group for rent and insurance. As at 31 March 2023 the group owed Warwick Properties LLP £20,430 (2022: £nil).

Advantage has been taken of the exemptions under FRS 102 not to disclose group transactions and balances with group companies which are wholly owned. There are no other transactions which are required to be disclosed under FRS 102.

26 Directors' transactions

Dividends totalling £183,522 (2022 - £0) were paid in the year in respect of shares held by the company's directors.

27 Controlling party

With effect from 16 November 2022 the group and the company became 65% owned by Warwick Holdings Group Limited, a company registered in England and Wales with a registered office at 36 Howe Street, Liverpool, L20 8NG.

Warwick Holdings Group Limited has a first accounting reference date as at 31 March 2024.

WARWICK ACQUISITIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

28 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	1,601,928	1,220,369
Adjustments for:		
Taxation charged	332,924	389,188
Finance costs	10,210	17,138
Investment income	(9,057)	(111)
Gain on disposal of tangible fixed assets	-	(14,803)
Amortisation and impairment of intangible assets	134,224	134,224
Depreciation and impairment of tangible fixed assets	213,068	265,565
Movements in working capital:		
Decrease/(increase) in stocks	60,162	(127,600)
Decrease/(increase) in debtors	473,642	(144,491)
Decrease in creditors	(324,313)	(23,362)
Cash generated from operations	2,492,788	1,716,117

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the company statement of cash flows.

29 Analysis of changes in net funds - group

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	2,857,069	(405,045)	2,452,024
Obligations under finance leases	(296,134)	105,907	(190,227)
	<u>2,560,935</u>	<u>(299,138)</u>	<u>2,261,797</u>