Registered number: 12370460

ACCENTUATE GROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ACCENTUATE GROUP LTD

COMPANY INFORMATION

Directors	J P Adams R M Bellamy D J Dawson D D Dawson P G Hundleby A M Moller P T Small E N Yeldham
Company secretary	E N Yeldham
Registered number	12370460
Registered office	1 St James Court Whitefriars Norwich Norfolk NR3 1RU
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors 1st Floor Prospect House Rouen Road Norwich NR1 1RE

ACCENTUATE GROUP LTD

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

These financial statements cover the year ended 31 March 2023.

The principal activity of the Company is to operate as a strategic, value adding holding group, managing the assets, investment, control and financing of a number of businesses supplying components and contract furniture to the commercial, Leisure, Education and Healthcare sectors.

Business review

The Company is the strategic holding company, for a number of established businesses including Global Chair Components (GCC), and Contract Furniture Group (CFG). The Company also holds a 50% shareholding in Dynamic Contract Furniture Ltd.

The Group has a clear vision and strategy in place, with an overriding commitment to "Make Contract Furniture Easy" for our customers. Our objective is to help each company in the Group to have a clear positioning, strategy and focus. We then actively support and invest in them to build the structure and capability to be the best supplier and partner for their customers in their chosen sector, offering an excellent broad and good value range of products, reliable quality, and delivery, and a professionally responsive service. As a private, well-funded business, the Group can move quickly to actively invest in opportunities and provide the management teams the confidence to focus on their business, knowing we will do our part to support their growth and performance.

As a strategic investment vehicle, the Group is also constantly reviewing relevant complimentary investment and acquisition opportunities where value can be added and there is a fit with the Group strategy and ethos. The Group is actively upscaling its manufacturing capability to support our customers. After an initial investment in Addspace Ltd, during the year it stepped this up to create a new Group company Phoenix Case Goods Ltd, which is currently being set up to commence trading in the coming financial year.

The Group continues to invest in improving people, infrastructure and systems. During the year a number of new positions were recruited across both the commercial and marketing functions but also IT and operations to support the continued growth aspirations of the Group. We also completed a "Good to Great" Accentuate Leadership Development Programme for all senior staff

The Group seeks to support the ongoing development of each of the businesses within it, helping them in developing credible strategic growth plans, leveraging where appropriate the combined scale of the Group in terms of shared expertise and supply chain, as well as underpinning the financial security of all Group companies.

The year started strongly across the Group with an ongoing post COVID bounce driving significant sales growth. For some parts of the Group, the operational challenges caused by this level of growth and volatility, created challenges for the management of direct labour costs. In addition, across the Group margins came under significant pressure due to pronounced global raw material inflation caused in part by the war in Ukraine, which impacted supplier prices, along with the ongoing unprecedented levels of freight costs. Furthermore, there were significant changes during this period due to the severe weakening of the value of GBP particularly against the USD, reaching close to parity. The latter part of the year saw margins improve with some easing on cost levels, reductions in freight and pricing reviews. We anticipate this will take a little time to unwind as we work through stock levels across the group.

Set against this ongoing uncertainty and volatility the Directors were pleased with the performance of the Group. The prior year was a record in each of the main trading companies within the Group. Therefore, to retain most of this post COVID growth was felt to be a creditable performance, given many businesses and sectors have seen a significant drop-off post the COVID "bounce". Whilst profitability was not as strong as seen in the prior year, working capital and cash generation was much improved. Stock, whilst still above ideal levels, normalised after the growth seen in the prior year and unwinding this remains a key focus to improve operational cash conversion further.

The Directors remain very grateful for the hard work of all employees across the group who continue to help us navigate hugely volatile and unpredictable times, and the ongoing support of our bankers HSBC, who continue to offer stable and reliable support to the business.

Principal risks and uncertainties

The Directors routinely monitor the known risks and uncertainties and ensure appropriate actions are in place to mitigate unwanted outcomes.

Currency
The Group is inevitably exposed to foreign currency risk given its role as an importer however, currency hedging is utilised to stabilise prices and smooth volatility. The exposure to the dollar is balanced by a growing proportion of purchasing coming from Europe.

Trade debtors
The Group oversees the credit and cashflow policies governing the credit offered to customers. The trading companies manage the day-to-day debtor ledger but the Group actively monitors this in terms of outstanding amounts for both time and credit limits. Again, the breadth of the Group mitigates exposure to any one customer or group of customers.

Liquidity
The businesses liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of existing funds, spread across a number of sources. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Key relationships

The Group works hard to leverage the breadth of customer and supplier relationships across all businesses within the Group, to minimise risk and maximise impact and value added through the fostering of strong relationships and a partnership ethos.

Other business risks
The Group in common with many others faces the wider macro-economic risks and uncertainty associated with rising interest rates, inflation and volatile and weaking foreign exchange rates. The Directors continue to address these challenges through close ongoing attention to stock levels, lead times and by working closely with our supply chain partners to ensure we offer the level of service the Group is rightly proud of, although this is an ongoing balance to manage given the costs associated with holding stock. With increasing interest rates the and improved operational cash conversion the Directors will continue to monitor the interest rate costs within the group and ensure the financial structure is appropriate accordingly.

Financial key performance indicators

The Directors consider turnover, gross profit and EBITDA to be the Group's key performance indicators.

	2023	2022
Turnover	£41,130,762	£37,941,255
Gross profit	£10,565,096	£10,483,445
Gross profit %	25.7%	27.6%
EBITDA	£4,398,458	£4,931,069

This report was approved by the board and signed on its behalf.

J P Adams
Director
Date: 21st October 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £273,990 *(2022 - £1,310,697)*.

No dividends were paid during the period. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

J P Adams
R M Bellamy
D J Dawson
D D Dawson
P G Hundleby
A M Moller
P T Small
E N Yeldham

Matters covered in the Group strategic report

Information in respect of principal risks and uncertainties, financial instruments and future developments can be found in the Strategic Report.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

E N Yeldham
Director

Date: 21st October 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACCENTUATE GROUP LTD

Opinion

We have audited the financial statements of Accentuate Group Ltd (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 and company Balance sheets, the Group Statement of cash flows, the Group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company'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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACCENTUATE GROUP LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent 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 Group 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:

Due to the field in which the Group operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the Group's ability to operate including health and safety; employment law, and compliance with various other regulations relevant to the conduct of the Group's operations. Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, potential litigation or claims and fraud;
- Reviewing legal and professional fees to confirm matters where the company engaged lawyers during the year;
- Reviewing financial statement disclosures and tax matters, and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly around year end stock values and the warranty provision;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Larking Gowen LLP

Charles Savory FCA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

27 October 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	**41,130,762**	*37,941,266*
Cost of sales		**(30,565,666)**	*(27,457,810)*
Gross profit		**10,565,096**	*10,483,445*
Administrative expenses		**(8,108,287)**	*(7,563,960)*
Other operating income	5	**229,515**	*167*
Operating profit	6	**2,686,324**	*2,919,652*
Share of profit of joint venture	14	**34,226**	*75,033*
Total operating profit		**2,720,550**	*2,994,685*
Amounts written off investments	14	**(246,645)**	-
Interest receivable and similar income		**352**	*747*
Interest payable and similar expenses	10	**(1,381,208)**	*(1,147,611)*
(Loss)/gain on financial instruments	22	**(263,286)**	*398,556*
Profit before taxation		**829,763**	*2,246,377*
Tax on profit	11	**(555,773)**	*(935,680)*
Profit for the financial year		**273,990**	*1,310,697*
Profit for the year attributable to:			
Owners of the parent company		**273,990**	*1,310,697*
		273,990	*1,310,697*

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 19 to 42 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	12		**11,302,692**		*12,918,554*
Tangible assets	13		**6,651,213**		*7,148,228*
Investments	14		**42,830**		*310,249*
			17,996,735		*20,377,031*
Current assets					
Stocks	15	**9,350,187**		*9,215,968*	
Debtors: amounts falling due within one year	16	**6,590,856**		*8,277,994*	
Cash at bank and in hand	17	**1,169,183**		*1,315,570*	
		17,110,226		*18,809,532*	
Creditors: amounts falling due within one year	18	**(10,098,959)**		*(12,012,317)*	
Net current assets			**7,011,267**		*6,797,215*
Total assets less current liabilities			**25,008,002**		*27,174,246*
Creditors: amounts falling due after more than one year	19		**(14,988,124)**		*(17,521,589)*
Provisions for liabilities					
Deferred taxation	23	**(31,073)**		*(209,910)*	
Other provisions	24	**(60,000)**		*(196,027)*	
			(91,073)		*(405,937)*
Net assets			**9,928,805**		*9,246,720*
Capital and reserves					
Called up share capital	25		**8,934,997**		*8,934,997*
Profit and loss account	26		**993,788**		*311,703*
Equity attributable to owners of the parent company			**9,928,785**		*9,246,700*
Non-controlling interests			**20**		*20*
			9,928,805		*9,246,720*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
21st October 2023

J P Adams
Director

E N Yeldham
Director

The notes on pages 19 to 42 form part of these financial statements.

ACCENTUATE GROUP LTD
REGISTERED NUMBER: 12370460

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Fixed assets					
Investments	14		**18,375,906**		*18,622,551*
			18,375,906		*18,622,551*
Current assets					
Debtors: amounts falling due within one year	16	**8,281,517**		*7,145,952*	
Cash at bank and in hand	17	**53,827**		*21,794*	
		8,335,344		*7,167,746*	
Creditors: amounts falling due within one year	18	**(2,287,094)**		*(462,709)*	
Net current assets			**6,048,250**		*6,705,037*
Total assets less current liabilities			**24,424,156**		*25,327,588*
Creditors: amounts falling due after more than one year	19		**(13,671,399)**		*(14,347,400)*
Net assets			**10,752,757**		*10,980,188*
Capital and reserves					
Called up share capital	25		**8,934,997**		*8,934,997*
Profit and loss account brought forward		**2,045,191**		*1,998,986*	
Loss for the year		**(635,526)**		*(388,065)*	
Other changes in the profit and loss account		**408,095**		*434,270*	
Profit and loss account carried forward			**1,817,760**		*2,045,191*
			10,752,757		*10,980,188*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21st October 2023

J P Adams
Director

E N Yeldham
Director

The notes on pages 19 to 42 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Equity attributable to owners of parent company	Non-controlling interests	Total equity
	£	£	£	£	£
At 1 April 2021	**8,934,997**	**(1,433,264)**	**7,501,733**	**20**	**7,501,753**
Profit for the year	-	1,310,697	1,310,697	-	1,310,697
Waiver of preference share dividends	-	434,270	434,270	-	434,270
At 1 April 2022	**8,934,997**	**311,703**	**9,246,700**	**20**	**9,246,720**
Profit for the year	-	273,990	273,990	-	273,990
Waiver of preference share dividends	-	408,095	408,095	-	408,095
At 31 March 2023	**8,934,997**	**993,788**	**9,928,785**	**20**	**9,928,805**

The notes on pages 19 to 42 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	**8,934,997**	**1,998,986**	**10,933,983**
Loss for the year	-	(388,065)	(388,065)
Waiver of preference share dividends	-	434,270	434,270
At 1 April 2022	**8,934,997**	**2,045,191**	**10,980,188**
Loss for the year	-	(635,526)	(635,526)
Waiver of preference share dividends	-	408,095	408,095
At 31 March 2023	**8,934,997**	**1,817,760**	**10,752,757**

The notes on pages 19 to 42 form part of these financial statements.

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

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	**273,990**	*1,310,697*
Adjustments for:		
Amortisation of intangible assets	**1,660,819**	*1,685,524*
Depreciation of tangible assets	**284,403**	*250,860*
Profit on disposal of tangible assets	**(207,800)**	*(6,701)*
Interest received	**(352)**	*(747)*
Taxation charge	**555,773**	*935,680*
(Increase) in stocks	**(134,219)**	*(4,489,821)*
Decrease/(increase) in debtors	**1,812,021**	*(3,905,425)*
(Decrease)/increase in creditors	**(537,836)**	*3,661,786*
(Decrease)/increase in amounts owed to join ventures	**(1,539)**	-
(Decrease)/increase in provisions	**(136,027)**	*110,000*
Share of operating profit/(loss)) in joint ventures	**20,774**	*(60,123)*
Corporation tax (paid)	**(1,633,053)**	*(196,339)*
Fair value (gain)/loss on foreign exchange contracts	**263,286**	*(398,556)*
Interest paid	**1,381,208**	*1,144,807*
Amounts written off investments	**246,645**	-
Net cash generated from operating activities	**3,848,093**	*41,642*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(44,957)**	*(74,581)*
Purchase of tangible fixed assets	**(487,926)**	*(151,519)*
Sale of tangible fixed assets	**908,338**	*26,586*
Purchase of share in associates	**-**	*(246,645)*
Interest received	**352**	*747*
Net cash from investing activities	**375,807**	*(445,412)*
Cash flows from financing activities		
Repayment of loans	**(2,565,141)**	*(1,848,378)*
Repayment of/new finance leases	**17,584**	*33,250*
Movements on invoice discounting	**(1,468,203)**	*2,907,228*
Interest paid	**(514,049)**	*(345,599)*
Net cash used in financing activities	**(4,529,809)**	*746,501*
Net (decrease)/increase in cash and cash equivalents	**(305,909)**	*342,731*
Cash and cash equivalents at beginning of year	**1,315,570**	*972,839*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash and cash equivalents at the end of year	**1,009,661**	*1,315,570*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,169,183**	*1,315,570*
Bank overdrafts	**(159,522)**	-
	1,009,661	*1,315,570*

The notes on pages 19 to 42 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023

	At 1 April 2022 £	Cash flows £	New finance leases £	Other non-cash changes £	At 31 March 2023 £
Cash at bank and in hand	1,315,570	(146,387)	-	-	1,169,183
Bank overdrafts	-	(159,522)	-	-	(159,522)
Debt due after 1 year	(13,972,788)	-	-	2,585,483	(11,387,305)
Debt due within 1 year	(5,078,690)	4,122,612	-	(2,585,483)	(3,541,561)
Finance leases	(33,250)	-	(17,584)	-	(50,834)
	(17,769,158)	3,816,703	(17,584)	-	(13,970,039)

The notes on pages 19 to 42 form part of these financial statements.

1. General information

Accentuate Group Ltd is a private company, limited by shares, and incorporated in England and Wales, registration number 12370460. The registered office is 1 St James Court, Whitefrairs, Norwich, Norfolk, NR3 1RU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The subsidiary companies Helo Products Ltd (registered number 13058754) and Contract Furniture Online Ltd (registered number 12441851) have claimed exemption from audit under the provisions of section 479A of the Companies Act 2006. Accentuate Group Ltd has provided a parental guarantee over these subsidiaries' liabilities under 479C of the Act totalling £249,929.

2.3 Going concern

The directors have considered the company's and group's position at the time of signing the financial statements, including financial projections and the financial strength of the company and group.

Based on this, the directors have concluded that the company and group will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of approval of these financial statements. The directors therefore continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

This is considered to be on dispatch of the goods.

2.6 Operating leases: the Group as lessee

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

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 15%-33% straight line
Motor vehicles	- 15%-33% straight line
Fixtures and fittings	- 20%-33% straight line
Assets under construction	- No depreciation

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.14 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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

2.21 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Judgments in applying accounting policies 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.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Depreciation of tangible fixed assets

Accounting for tangible fixed assets involves the use of estimates and judgements for determining the useful lives over which these are to be depreciated and the existence and amount of any impairment.

Tangible assets are depreciated on a straight line basis over their estimated useful lives and taking into account their expected residual values. When the group estimates useful lives, various factors are considered including expected technological obsolescence and the expected usage of the asset.

The directors regularly review these asset lives and change them as necessary to reflect the estimated current remaining levies in light of technological changes, future economic utilisation and physical condition of the assets concerned. A significant change in asset lives can have a significant change on deprecation and amortisation charges for the period.

Amortisation of goodwill

Accounting for goodwill involves the use of estimates and judgements for determining the useful lives over which this is to be amortised and the existence and amount of any impairment.

Goodwill is amortised in equal installments over its estimated useful economic life. When the group estimates useful life, various factors are considered including expected future utilisation of the assets concerned. The directors regularly review the useful life and change it as necessary to reflect the estimated current remaining life in light of future economic utilisation of the assets concerned. A significant change in asset life can have a significant change on amortisation charge for the period.

Impairment of stock

The group considers it is necessary to review the recoverability of the cost of stock and the associated provision required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing of debtors and historical experience.

3. Judgments in applying accounting policies (continued)

Warranty provision

Management review the provision, considering the likelihood of any claims, the number of claims that may be made and the potential cost to fulfil the warranty commitment of any such claims. This requires judgement of management to assess the provision required.

Compound instruments

As explained in notes 19 and 25, the estimate of the debt element of the preference shares in dependent on an estimate of the market rate of a similar debt instrument that does not have the associated equity component, which is considered to be 10%.

4. Turnover

The whole of the turnover is attributable to the group's principal activity.

Analysis of turnover by country of destination:

	2023 £	*2022* £
United Kingdom	**39,497,584**	*36,469,143*
Rest of Europe	**1,633,178**	*1,472,112*
	41,130,762	*37,941,255*

5. Other operating income

	2023 £	*2022* £
Government Grants	-	*167*
Profit on disposal of tangible assets	**229,515**	-
	229,515	*167*

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Amortisation	**1,660,819**	*1,685,524*
Exchange differences	**222,460**	*(528,889)*
Operating lease rentals	**183,395**	*141,140*
Depreciation	**284,403**	*250,860*

7. Auditors' remuneration

During the year, the Group obtained the following services from the company's auditors:

	2023 £	2022 £
Fees payable to the company's auditors for the audit of the consolidated and parent company's financial statements	**5,725**	*5,300*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	**4,947,994**	*3,206,773*
Social security costs	**570,974**	*442,930*
Cost of defined contribution scheme	**184,095**	*141,248*
	5,703,063	*3,790,951*

The average monthly number of employees, including the directors, during the period was as follows:

	2023 £	2022 £
Average monthly employees	**112**	*89*
	112	*89*

The company had no employees other than its directors, who were not remunerated by the company.

9. Directors' remuneration

	2023 £	*2022 £*
Directors' emoluments	**1,150,861**	*1,138,733*
Group contributions to defined contribution pension schemes	**30,113**	*15,463*
	1,180,974	*1,154,196*

During the year retirement benefits were accruing to 5 directors *(2022 - 5)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £262,565 *(2022 - £265,200)*.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL *(2022 - £NIL)*.

The directors are considered the group's key management personnel and therefore directors' remuneration is the same as key management personnel's remuneration.

10. Interest payable and similar expenses

	2023 £	*2022 £*
Bank interest payable	**328,207**	*244,880*
Other loan interest payable	**184,124**	*103,303*
Preference share dividends	**676,264**	*676,264*
Finance leases and hire purchase contracts	**1,715**	*220*
Other interest payable	**190,898**	*122,944*
	1,381,208	*1,147,611*

11. Taxation

	2023 £	*2022 £*
Corporation tax		
Current tax on profits for the year	**742,295**	*928,333*
Adjustments in respect of previous periods	**(3,360)**	*12,412*
Total current tax	**738,935**	*940,745*
Deferred tax		
Origination and reversal of timing differences	**(129,008)**	*(5,065)*
Adjustments in respect of previous periods	**(54,154)**	*-*
Total deferred tax	**(183,162)**	*(5,065)*
Taxation on profit on ordinary activities	**555,773**	*935,680*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2022 - higher than)* the standard rate of corporation tax in the UK of 19% *(2022 - 19%)*. The differences are explained below:

	2023 £	*2022 £*
Profit on ordinary activities before tax	**829,763**	*2,246,377*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	**157,655**	*426,812*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**355,711**	*313,081*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**14,942**	*9,388*
Adjustments to tax charge in respect of prior periods	**(57,574)**	*12,412*
Preference share dividends	**128,490**	*128,490*
Other differences leading to an increase (decrease) in the tax charge	**97,096**	*(4,881)*
Remeasurement of deferred tax for changes in tax rates	**(140,547)**	*50,378*
Total tax charge for the year	**555,773**	*935,680*

11. Taxation (continued)

Factors that may affect future tax charges

The main rate of corporation tax increased from 19% to 25% on 1 April 2023.

12. Intangible assets

Group

	Trademarks £	Computer software £	Goodwill £	Total £
Cost				
At 1 April 2022	1	96,233	16,255,224	16,351,458
Additions	-	44,957	-	44,957
At 31 March 2023	1	141,190	16,255,224	16,396,415
Amortisation				
At 1 April 2022	-	-	3,432,904	3,432,904
Charge for the year on owned assets	-	35,297	1,625,522	1,660,819
At 31 March 2023	-	35,297	5,058,426	5,093,723
Net book value				
At 31 March 2023	1	105,893	11,196,798	11,302,692
At 31 March 2022	*1*	*96,233*	*12,822,320*	*12,918,554*

13. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2022	**8,018,584**	**134,831**	**313,191**	**500,896**	**-**	**8,967,502**
Additions	**103,648**	**129,318**	**17,500**	**77,629**	**159,831**	**487,926**
Disposals	**(733,273)**	**(7,000)**	**(2,543)**	**(18,612)**	**-**	**(761,428)**
At 31 March 2023	**7,388,959**	**257,149**	**328,148**	**559,913**	**159,831**	**8,694,000**
Depreciation						
At 1 April 2022	**1,110,011**	**71,568**	**258,914**	**378,781**	**-**	**1,819,274**
Charge for the year on owned assets	**136,935**	**20,342**	**42,078**	**85,048**	**-**	**284,403**
Disposals	**(32,997)**	**(6,738)**	**(2,543)**	**(18,612)**	**-**	**(60,890)**
At 31 March 2023	**1,213,949**	**85,172**	**298,449**	**445,217**	**-**	**2,042,787**
Net book value						
At 31 March 2023	**6,175,010**	**171,977**	**29,699**	**114,696**	**159,831**	**6,651,213**
At 31 March 2022	*6,908,573*	*63,263*	*54,277*	*122,115*	*-*	*7,148,228*

Freehold property includes land at a cost of £646,115 (2022: £646,115) which is not depreciated.

14. Fixed asset investments

Group

	Investments in associates £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 April 2022	246,645	63,604	310,249
Share of profit/(loss)	-	(20,774)	(20,774)
At 31 March 2023	246,645	42,830	289,475
Impairment			
Charge for the period	246,645	-	246,645
At 31 March 2023	246,645	-	246,645
Net book value			
At 31 March 2023	-	42,830	42,830
At 31 March 2022	*246,645*	*63,604*	*310,249*

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2022	**18,375,906**	**246,645**	**18,622,551**
At 31 March 2023	**18,375,906**	**246,645**	**18,622,551**
Impairment			
Charge for the period	-	**246,645**	**246,645**
At 31 March 2023	-	**246,645**	**246,645**
Net book value			
At 31 March 2023	**18,375,906**	-	**18,375,906**
At 31 March 2022	*18,375,906*	*246,645*	*18,622,551*

The investment in associate was a 25% holding in Addspace Furniture Limited. In January 2023 the company entered administration and the investment has been fully impaired.

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Glochair Holdings Ltd	1 Global Court, Reydon Business Park, Southwold, Suffolk, IP18 6SY	ordinary	100%
Contract Furniture Group Limited	Contract House, Little Tennis Street South, Nottingham, NG2 4EU	ordinary	100%
Global Chair Components Ltd *	1 Global Court, Reydon Business Park, Southwold, Suffolk, IP18 6SY	ordinary	100%
Bellamy & Britton Ltd	Contract House, Little Tennis Street South, Nottingham, NG2 4EU	ordinary	80%
Refurnishus Ltd ^	Express House, 32 Mile End Road, Nottingham, United Kingdom, NG4 2EE	ordinary	100%
Helo Products Ltd	1 St. James Court, Whitefriars, Norwich, England, NR3 1RU	ordinary	100%
Phoenix Case Goods Limited	Contract House, Little Tennis Street South, Nottingham, NG2 4EU	ordinary	100%

* 100% subsidiary of Glochair Holdings Ltd
^ 100% subsidiary of Contract Furniture Group Ltd

All other subsidiaries are held directly by the company.

Joint venture

The following was a joint venture of the company:

Name	Registered office	Holding
Dynamic Contract Furniture Ltd	Contract House, Little Tennis Street South, Nottingham, NG2 4EU	50%

15. Stocks

	Group 2023 £	*Group 2022 £*
Finished goods and goods for resale	**9,350,187**	*9,215,968*
	9,350,187	*9,215,968*

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The carrying value of stocks is stated net of an impairment provision of £670,070 *(2022 - £473,667).* Impairment reversals totalling £135,010 *(2022 - £210,966)* are recognised in profit and loss.

16. Debtors

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Trade debtors	**5,981,661**	*7,753,858*	-	-
Amounts owed by group undertakings	-	-	**8,048,175**	*7,005,873*
Other debtors	**241,483**	*51,116*	**13,607**	*22,993*
Called up share capital not paid	**2,099**	*2,099*	-	-
Prepayments and accrued income	**365,613**	*470,921*	-	-
Deferred taxation	-	-	**219,735**	*117,086*
	6,590,856	*8,277,994*	**8,281,517**	*7,145,952*

Of the trade debtor balance, £5,910,862 (2022: £7,408,348), is security against £1,544,772 (2022: £3,012,975) of factored debts.

17. Cash and cash equivalents

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Cash at bank and in hand	**1,169,183**	*1,315,570*	**53,827**	*21,794*
Less: bank overdrafts	**(159,522)**	-	-	-
	1,009,661	*1,315,570*	**53,827**	*21,794*

18. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank overdrafts	159,522	-	-	-
Bank loans	1,583,748	1,910,880	368,328	368,328
Trade creditors	2,893,921	3,466,744	780	-
Amounts owed to group undertakings	-	-	1,056,943	81
Amounts owed to joint ventures	-	1,539	-	-
Corporation tax	158,099	928,334	-	-
Other taxation and social security	1,211,111	1,426,227	-	-
Obligations under finance lease and hire purchase contracts	12,038	6,676	-	-
Proceeds of factored debts	1,544,772	3,012,975	-	-
Other creditors	1,039,665	297,090	861,043	94,300
Accruals and deferred income	1,438,420	1,167,475	-	-
Financial instruments (note 22)	57,663	(205,623)	-	-
	10,098,959	12,012,317	2,287,094	462,709

The invoice finance facility is secured on the trade debtors, as described in note 16.

The bank loans are secured by a fixed and floating charge over all assets of the group.

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

19. Creditors: Amounts falling due after more than one year

	Group 2023 £	*Group 2022 £*	**Company 2023 £**	*Company 2022 £*
Bank loans	**4,951,793**	*7,189,802*	**3,673,864**	*4,042,187*
Net obligations under finance leases and hire purchase contracts	**38,796**	*26,574*	**-**	*-*
Other creditors	**9,997,535**	*10,305,213*	**9,997,535**	*10,305,213*
	14,988,124	*17,521,589*	**13,671,399**	*14,347,400*

Bank loans are secured by a fixed and floating charge over all assets of the group, or over the assets of the respective company. Interest is charged on the bank loans at a rate of between 2.0% and 3.99% over LIBOR.

The preference shares described in note 25 are entitled to non-discretionary dividends. The preference shares are therefore a compound instrument consisting of both a debt and equity element. The company's obligation to make the non-discretionary dividend payment is recognised as a liability of £6,762,645. This is the estimated future dividend obligation, discounted at a market rate of interest for a similar liability that does not have the associated equity component, which the directors estimate to be 10%. The whole £6,762,645 is included in other creditors falling due after more than one year.

Other creditors of £2,668,685 (2022: £2,477,789) are secured against the assets of the group and are due for payment 10 March 2025.

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

20. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	*Group 2022 £*	**Company 2023 £**	*Company 2022 £*
Amounts falling due within one year				
Bank loans	**1,583,748**	*1,910,880*	**368,328**	*368,328*
Amounts falling due 1-2 years				
Bank loans	**1,583,757**	*1,910,880*	**368,328**	*368,328*
Amounts falling due 2-5 years				
Bank loans	**3,368,036**	*5,278,922*	**3,305,536**	*3,673,859*
	6,535,541	*9,100,682*	**4,042,192**	*4,410,515*

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	*Group 2022 £*
Within one year	**12,038**	*12,908*
Between 1-5 years	**38,796**	*20,342*
	50,834	*33,250*

22. Financial instruments

	Group 2023 £	*Group 2022 £*
Financial assets		
Financial assets measured at fair value through profit or loss	**-**	*205,623*
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	**(57,663)**	*-*

Financial assets and liabilities measured at fair value through profit or loss comprise forward currency contracts. The fair value of derivative financial instruments represents the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced sale or liquidation.

The net loss related to the Group's derivative financial instruments classified at fair value through profit or loss for the period was £263,286 (2022: gain £398,557).

The forward currency contracts are entered into by the Group to mitigate the foreign exchange risk originating from purchases from suppliers and sales to customers outside of the UK. The discussion of the Group's objectives with regard to financial instruments is included in the strategic report.

23. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	**(209,910)**	*(214,975)*
Charged to profit or loss	**178,837**	*5,065*
At end of year	**(31,073)**	*(209,910)*

Company

	2023 £	2022 £
At beginning of year	**117,086**	*46,854*
Charged to profit or loss	**102,649**	*70,232*
At end of year	**219,735**	*117,086*

The provision for deferred taxation is made up as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated capital allowances	**(31,795)**	*(54,461)*	**-**	*-*
Tax losses carried forward	**247,106**	*161,196*	**110,063**	*57,139*
Other timing differences	**140,381**	*66,802*	**109,672**	*59,947*
Property fair value adjustment on a business combination	**(386,765)**	*(383,447)*	**-**	*-*
	(31,073)	*(209,910)*	**219,735**	*117,086*

24. *Provisions*

Group

	Warranty provision £
At 1 April 2022	**196,027**
Charged to profit or loss	**(136,027)**
At 31 March 2023	**60,000**

In respect of warranty provision, best estimates have been made as to the expected costs that will be incurred on products that have been sold, but are felt to have a future liability for the group.

25. Share capital

	2023 £	*2022 £*
Shares classified as equity		
Allotted, called up and fully paid		
250 *(2022 - 250)* A ordinary shares of £1 each	**250**	*250*
210 *(2022 - 210)* B ordinary shares of £1 each	**210**	*210*
540 *(2022 - 540)* C ordinary shares of £1 each	**540**	*540*
4,839,878 *(2022 - 4,839,878)* A1 preference shares of £1 each	**2,419,939**	*2,419,939*
2,822,747 *(2022 - 2,822,747)* A2 preference shares of £1 each	**1,693,648**	*1,693,648*
5,576,393 *(2022 - 5,576,393)* B preference shares of £1 each	**3,345,836**	*3,345,836*
2,457,624 *(2022 - 2,457,624)* C preference shares of £1 each	**1,474,574**	*1,474,574*
	8,934,997	*8,934,997*

25. Share capital (continued)

After payment of the preference share dividend and any preference dividend arrears, profits may be distributed to the ordinary share holders pari passu as if they constituted a single class of shares, provided that the payment to A ordinary shareholders is not less than 25% and the payment to B ordinary shareholders is not less than 21%.

In regards to capital rights, the ordinary shares rank last after the preference shares. Ordinary shares rank pari passu as if the same constituted a single class provided that the amount allocated to the A ordinary share holders shall not be less than 25% and the amount allocated to the B ordinary shares holders shall not be less than 21%.

All ordinary shares have voting rights and carry one vote per share, subject to the number of votes capable of being cast by the holders of the A ordinary shares shall not be less than 25%, and by the holders of the B ordinary share shall not be less than 21%, of the total number of votes capable be being cast on any resolution of the company.

Where relevant, in order to meet the 25% and 21% thresholds, the entitlements of the C ordinary share holders are reduced until the percentages are met.

All preference shares are non-redeemable.

The A1 preference share holders are entitled to a 5% cumulative preference dividend. The A2, B and C preference shares holders are entitled to a 4% cumulative preference dividend. Preference share dividends shall be paid on any date determined by the board with the consent of a shareholder majority; and/or immediately upon an "Exit" as defined in the company's Articles of Association.

The A2, B and C preference shareholders have waived their entitlement to dividends from 10 March 2020 to 10 March 2023.

In regards to capital rights, the A1, A2 and B preference shares rank pari passu, with holders entitled to the amount credited as paid up on each share. The C preference share holders rank behind the A1, A2 and B preference shareholders, and again holders are entitled to the amount credited as paid up on each share. The preference share holders have no rights to any residue capital available for distribution after receipt of their specific entitlement.

The preference shareholders have no voting rights.

As described in note 19, the preference shares are a compound instrument consisting of both a debt and equity element. The debt element of £6,762,645 is recognised as a liability in other creditors due after more than one year. The preference shares are fully paid. The difference between the nominal value of the preference shares of £15,696,642 and the value recognised as debt of £6,742,645 is the equity component, being £8,953,997.

26. Reserves

Profit and loss account

Profit and loss account represents accumulated comprehensive income less dividends paid.

27. Contingent liabilities

The company, together with other group companies, has given a cross-guarantee to its bankers in respect of monies due to the bank by the parties. The bank guarantee is secured by a debenture. At 31 March 2023 the contingent liability in respect of this agreement amounted to £9,183,281 (2022: £12,113,657).

28. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £184,095 (2022: £141,248). Contributions totalling £29,805 (2022: £27,018) were payable to the fund at the balance sheet date and are included in creditors.

29. Commitments under operating leases

At 31 March 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	*Group 2022 £*
Not later than 1 year	**277,299**	*114,655*
Later than 1 year and not later than 5 years	**545,263**	*114,939*
	822,562	*229,594*

30. Related party transactions

At 31 March 2023 deferred consideration and accrued interest totalling £2,668,684 (2022: £2,477,789) was due to the directors and is included in creditors. Of this, £2,238,000 (2022: £2,238,000) attracts interest at 5%. The interest charge for the period was £190,895 (2022: £122,944). The interest was unpaid at the year end.

At the year end group companies owed a director £85,909 (2022: £154,835). Interest of £6,073 (2022: £5,130) was charged on the loan at a rate of 3.25% above the Bank of England Base Rate.

During the year preference shares dividends of £676,264 (2022: £676,264) accrued to directors, of these £408,095 (2022: £434,270) were waived. The balance of £766,743 (2022: £498,574) was unpaid at the year end and is included in creditors.

The company and group has taken advantage of the exemption not to disclose transactions with wholly owned group companies. The group made sales of £139,843 (2022: £123,804) and purchases of £nil (2022: £51,297) to/from its joint venture. At 31 March 2023 £nil (2022: £31,884) was due to/from the joint venture.

31. Controlling party

There is no single ultimate controlling party.