

**1M GROUP LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

COMPANY INFORMATION

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Director	Mark Harrod
Registered number	12487333
Registered office	6th Floor 2 London Wall Place London EC2Y 5AU
Independent auditors	MHA Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU

CONTENTS

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	Page
Group strategic report	1
Director's report	2 - 3
Independent auditors' report	4 - 6
Consolidated statement of comprehensive income	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated statement of changes in equity	10
Company statement of changes in equity	11
Consolidated Statement of cash flows	12
Consolidated analysis of net debt	13
Notes to the financial statements	14 - 28

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Introduction**

The director presents his strategic report for the year ended 31 August 2022.

**Business review**

The principal activity of the company during the year was that of a parent company.

The principal activity of the group during the year was that of timber shipping agents.

**Principal risks and uncertainties**

The director considers the Group's main risk and uncertainty to be the volatility of the general economic and market conditions. In order to manage this risk and uncertainty the Group builds and maintains strong working relationships with its suppliers and customers. These relationships help to promote repeat business from many of its customers and mitigate part of the risk. The Group's operations expose it to a variety of financial risks, key risks being the effect of changes in exchange rates.

**Financial key performance indicators**

1) Group Annual % Change in Turnover = 44.7% (2021 - 119.9%)

2) Group Gross Profit % = 4.7% (2021 - 3.6%)

3) Group Profit Before Tax % = 5.8% (2021 - 0.7%)

**Other key performance indicators**

Retention of major customers was a primary objective in the year.

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

**Mark Harrod**

Director

Date: 23 May 2023

**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**

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The director presents his report and the financial statements for the year ended 31 August 2022.

**Director's responsibilities statement**

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 £1,036,701 (2021 - £316,099).

There were no dividends paid in the year (2021: £NIL).

**Director**

The director who served during the year was:

Mark Harrod

**Future developments**

The group is looking to improve its current market share in terms of turnover and margin and expects to increase trade profitability over the coming 12 months.

**Disclosure of information to auditors**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he 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.

**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Post balance sheet events**

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

**Auditors**

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

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

**Small companies note**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 41SA of the Companies Act 2006.

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

**Mark Harrod**

Director

Date: 23 May 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1M GROUP LTD**

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**Opinion**

We have audited the financial statements of 1M Group Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2022, 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 August 2022 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 director with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1M GROUP LTD (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The director is 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 Director's 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 Director's 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 Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's Report and from the requirement to prepare a Group Strategic Report.

**Responsibilities of directors**

As explained more fully in the Director's responsibilities statement set out on page 2, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1M GROUP LTD (CONTINUED)**

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In preparing the financial statements, the director is 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 director either intends 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

- Performing audit work over the risk of management override, including testing of journal entries and other adjustments for appropriateness;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations;
- Enquiry with management around actual and potential litigation and claims.

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](http://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.

Neil Stern FCA (Senior statutory auditor)

for and on behalf of

**MHA**

Statutory Auditors

London, United Kingdom

23 May 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Turnover	4	22,140,252	15,304,218
Cost of sales		(21,286,761)	(14,891,702)
Exceptional cost of sales		176,092	199,537
<b>Gross profit</b>		<b>1,029,583</b>	<b>612,053</b>
Administrative expenses		282,012	(205,561)
Other operating income	5	2,000	2,000
<b>Operating profit</b>	6	<b>1,313,595</b>	<b>408,492</b>
Interest receivable and similar income	10	40	120
Interest payable and similar expenses	11	(26,455)	(15,342)
<b>Profit before taxation</b>		<b>1,287,180</b>	<b>393,270</b>
Tax on profit	12	(250,479)	(77,171)
<b>Profit for the financial year</b>		<b>1,036,701</b>	<b>316,099</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		<u>1,036,701</u>	<u>316,099</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		<u>1,036,701</u>	<u>316,099</u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 14 to 28 form part of these financial statements.

CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	14	60,815	85,142
Tangible assets	15	74,468	48,853
		<u>135,283</u>	<u>133,995</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	3,868,732	2,196,018
Cash at bank and in hand	18	2,647,222	1,876,763
		<u>6,515,954</u>	<u>4,072,781</u>
Creditors: amounts falling due within one year	19	(3,867,964)	(2,284,112)
<b>Net current assets</b>		<u>2,647,990</u>	<u>1,788,669</u>
<b>Total assets less current liabilities</b>		<u>2,783,273</u>	<u>1,922,664</u>
<b>Provisions for liabilities</b>			
Other provisions	21	(3,280)	(179,372)
		<u>(3,280)</u>	<u>(179,372)</u>
<b>Net assets</b>		<u><u>2,779,993</u></u>	<u><u>1,743,292</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	10,000	10,000
Share premium account	23	1,376,638	1,376,638
Profit and loss account	23	1,393,355	356,654
<b>Equity attributable to owners of the parent</b>		<u><u>2,779,993</u></u>	<u><u>1,743,292</u></u>
<b>Company</b>			

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

**Mark Harrod**  
Director

Date: 23 May 2023

The notes on pages 14 to 28 form part of these financial statements.

COMPANY BALANCE SHEET  
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	16	3,218,965	3,218,965
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	11,757	29,950
Cash at bank and in hand	18	476,527	84,829
		<u>488,284</u>	<u>114,779</u>
Creditors: amounts falling due within one year	19	(2,136,384)	(1,842,965)
<b>Net current liabilities</b>		<u>(1,648,100)</u>	<u>(1,728,186)</u>
<b>Total assets less current liabilities</b>		<u>1,570,865</u>	<u>1,490,779</u>
<b>Net assets</b>		<u><u>1,570,865</u></u>	<u><u>1,490,779</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	10,000	10,000
Share premium account	23	1,376,638	1,376,638
Profit and loss account brought forward		104,141	24,375
Profit for the year		80,086	79,766
Profit and loss account carried forward		<u>184,227</u>	<u>104,141</u>
		<u><u>1,570,865</u></u>	<u><u>1,490,779</u></u>

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

**Mark Harrod**  
Director

Date: 23 May 2023

The notes on pages 14 to 28 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
<b>At 1 September 2020</b>	<b>10,000</b>	<b>1,376,638</b>	<b>40,555</b>	<b>1,427,193</b>	<b>1,427,193</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	316,099	316,099	316,099
<b>At 1 September 2021</b>	<b>10,000</b>	<b>1,376,638</b>	<b>356,654</b>	<b>1,743,292</b>	<b>1,743,292</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,036,701	1,036,701	1,036,701
<b>At 31 August 2022</b>	<b>10,000</b>	<b>1,376,638</b>	<b>1,393,355</b>	<b>2,779,993</b>	<b>2,779,993</b>

The notes on pages 14 to 28 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 September 2020</b>	<b>10,000</b>	<b>1,376,638</b>	<b>24,375</b>	<b>1,411,013</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	79,766	79,766
<b>At 1 September 2021</b>	<b>10,000</b>	<b>1,376,638</b>	<b>104,141</b>	<b>1,490,779</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	80,086	80,086
<b>At 31 August 2022</b>	<b>10,000</b>	<b>1,376,638</b>	<b>184,227</b>	<b>1,570,865</b>

The notes on pages 14 to 28 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,036,701	316,099
<b>Adjustments for:</b>		
Amortisation of intangible assets	24,327	24,327
Depreciation of tangible assets	14,865	17,330
Interest paid	26,455	15,342
Interest received	(40)	(120)
Taxation charge	250,479	77,171
(Increase) in debtors	(1,672,714)	(93,624)
Increase/(decrease) in creditors	1,414,561	(103,933)
(Decrease) in provisions	(176,092)	(199,538)
Corporation tax (paid)	(81,188)	(5,494)
<b>Net cash generated from operating activities</b>	<b>837,354</b>	<b>47,560</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(40,480)	(61,365)
Interest received	40	120
<b>Net cash from investing activities</b>	<b>(40,440)</b>	<b>(61,245)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(562,053)
Interest paid	(26,455)	(15,342)
<b>Net cash used in financing activities</b>	<b>(26,455)</b>	<b>(577,395)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>770,459</b>	<b>(591,080)</b>
Cash and cash equivalents at beginning of year	1,876,763	2,467,843
<b>Cash and cash equivalents at the end of year</b>	<b>2,647,222</b>	<b>1,876,763</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,647,222	1,876,763
	<b>2,647,222</b>	<b>1,876,763</b>

The notes on pages 14 to 28 form part of these financial statements.

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 AUGUST 2022**


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	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,876,763	770,459	2,647,222
Bank overdrafts	(390,775)	(623,631)	(1,014,406)
	<u>1,485,988</u>	<u>146,828</u>	<u>1,632,816</u>

The notes on pages 14 to 28 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. General information**

1M Group Limited is a private limited company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of the Company's registered office is 6th Floor 2 London Wall Place, London, United Kingdom, EC2Y 5AU. The nature of the company's operations and principal activity is that of a holding company.

**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 financial statements are prepared in £ sterling, the functional currency, rounded to the nearest £1

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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 31 August 2022.

**2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation (continued)**

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.4 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.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Interest income**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.6 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.

**2.7 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.

**2.8 Taxation**

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

**2.9 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)****2.10 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 of five years.

**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.

**2.11 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	20%	Straight line
Plant and machinery	-	25%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	25%	reducing balance

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.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.13 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.

**2.14 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.

**2.15 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.

**2.16 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.

**2.17 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)****2.17 Financial instruments (continued)**

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The director considers that the critical accounting policies where judgments and estimations have been applied relate to the recoverability of debtors. The directors are satisfied that these assets are appropriately included at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Turnover	<u>22,140,252</u>	<u>15,304,218</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	7,682,110	5,393,444
Rest of Europe	<u>14,458,142</u>	<u>9,910,774</u>

**5. Other operating income**

	2022 £	2021 £
Other operating income	<u>2,000</u>	<u>2,000</u>

**6. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	<u>(421,371)</u>	<u>23,822</u>

**7. Auditors' remuneration**

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>22,500</u>	<u>22,500</u>

**Fees payable to the Group's auditor and its associates in respect of:**

All other services	<u>12,300</u>	<u>14,383</u>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**8. Employees**

Staff costs, including director's remuneration, were as follows:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Wages and salaries	<b>2,400</b>	16,910	-	-
Cost of defined contribution scheme	-	512	-	-
	<b><u>2,400</u></b>	<u>17,422</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the director, during the year was as follows:

	<b>2022 No.</b>	<i>2021 No.</i>
Management staff	<b><u>1</u></b>	<u>1</u>

**9. Director's remuneration**

During the year retirement benefits were accruing to 1 director in respect of defined contribution pension schemes.

The director's aggregate remuneration of qualifying services was remuneration receivable of £2,400 (2021: £2,400) and company pension contributions to money purchase schemes of £Nil (2021: £512).

The key management personnel of the group is considered to be the director. His remuneration is disclosed above.

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

**10. Interest receivable**

	<b>2022 £</b>	<i>2021 £</i>
Other interest receivable	<b><u>40</u></b>	<u>120</u>



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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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## 11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	<u>26,455</u>	<u>15,342</u>

## 12. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	250,479	77,171
<b>Total current tax</b>	<u>250,479</u>	<u>77,171</u>
<b>Deferred tax</b>		
<b>Taxation on profit on ordinary activities</b>	<u>250,479</u>	<u>77,171</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,287,180</u>	<u>393,270</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	244,564	74,721
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	1,710	1,710
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,444	4,271
Capital allowances for year in excess of depreciation	761	(3,531)
<b>Total tax charge for the year</b>	<u>250,479</u>	<u>77,171</u>

**Factors that may affect future tax charges**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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**12. Taxation (continued)**

Based on the current capital investment plans, the group expects amortisation of goodwill to continue at a similar amount and depreciation to continue in excess of capital allowances. The group has no brought forward tax losses.

**13. Exceptional items**

	2022 £	2021 £
Exceptional items - import duty	<u>(176,092)</u>	<u>(199,537)</u>

The exceptional item represents a decrease in the provision for import duty to be paid to US Customs (see note 21).

**14. Intangible assets****Group and Company**

	Goodwill £
<b>Cost</b>	
At 1 September 2021	121,632
At 31 August 2022	<u>121,632</u>
<b>Amortisation</b>	
At 1 September 2021	36,490
Charge for the year on owned assets	24,327
At 31 August 2022	<u>60,817</u>
<b>Net book value</b>	
At 31 August 2022	<u>60,815</u>
<b>At 31 August 2021</b>	<u>85,142</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 15. Tangible fixed assets

## Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 September 2021	5,058	1,172	55,899	6,549	68,678
Additions	32,996	832	-	6,652	40,480
At 31 August 2022	38,054	2,004	55,899	13,201	109,158
<b>Depreciation</b>					
At 1 September 2021	3,497	294	13,975	2,059	19,825
Charge for the year on owned assets	1,169	428	10,482	2,786	14,865
At 31 August 2022	4,666	722	24,457	4,845	34,690
<b>Net book value</b>					
At 31 August 2022	33,388	1,282	31,442	8,356	74,468
<b>At 31 August 2021</b>	1,561	878	41,924	4,490	48,853

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	33,388	1,561

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**16. Fixed asset investments**

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 September 2021	3,218,965
At 31 August 2022	<u>3,218,965</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
P.T. Group Limited	Ordinary	100 %
P.T. Timber Limited	Ordinary	100 %
P.T. Agencies Limited	Ordinary	100 %

**17. Debtors**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Trade debtors	3,273,190	2,156,320	-	-
Amounts owed by group undertakings	-	-	11,757	29,950
Prepayments and accrued income	595,542	39,698	-	-
	<u>3,868,732</u>	<u>2,196,018</u>	<u>11,757</u>	<u>29,950</u>

**18. Cash and cash equivalents**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Cash at bank and in hand	2,647,222	1,876,763	476,527	84,829
	<u>2,647,222</u>	<u>1,876,763</u>	<u>476,527</u>	<u>84,829</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**


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**19. Creditors: Amounts falling due within one year**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Trade creditors	<b>1,678,289</b>	<i>674,346</i>	-	-
Amounts owed to group undertakings	-	-	<b>762,807</b>	<i>372,850</i>
Corporation tax	<b>250,479</b>	<i>81,188</i>	<b>18,786</b>	<i>18,752</i>
Other taxation and social security	<b>55,106</b>	<i>43,895</i>	<b>5,250</b>	<i>5,252</i>
Other creditors	<b>1,349,541</b>	<i>1,447,511</i>	<b>1,349,541</b>	<i>1,446,111</i>
Accruals and deferred income	<b>534,549</b>	<i>37,172</i>	-	-
	<b><u>3,867,964</u></b>	<i><u>2,284,112</u></i>	<b><u>2,136,384</u></b>	<i><u>1,842,965</u></i>

Bank loans and overdrafts of £1,014,406 (2021: £390,775) are secured on the assets of the Group.

**20. Loans**

Bank loans and overdrafts of £1,014,406 (2021: £390,775) are secured on the assets of the Group.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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**21. Provisions****Group**

	<b>Provision £</b>
At 1 September 2021	179,372
Charged to profit or loss	(176,092)
	<hr/>
<b>At 31 August 2022</b>	<b><u>3,280</u></b>

The provision represents the present value of the management's best estimate of the future outflow of economic benefits that will arise as a result of an Import Duty claim made against the company by US customs. The timing of payment of the claim is still uncertain.

**Company**

There were no provisions in respect of the company at the balance sheet date.

**22. Share capital**

	<b>2022 £</b>	<b>2021 £</b>
<b>Allotted, called up and fully paid</b>		
7,692 (2021 - 7,692) Ordinary A shares of £1.00 each	<b>7,692</b>	7,692
2,308 (2021 - 2,308) Ordinary B shares of £1.00 each	<b>2,308</b>	2,308
	<hr/>	<hr/>
	<b><u>10,000</u></b>	<b><u>10,000</u></b>

**23. Reserves****Share premium account**

The share premium of £1,376,638 arised when the share capital was issued in 2020.

**Profit and loss account**

The profit for the year of £1,036,701 (2021: £316,099) is included in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**24. Pension commitments**

The group operates a defined contribution 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 £Nil (2021: £512).

**25. Related party transactions**

Harrod Associates International LLP is a limited liability partnership in which Mr M Harrod, the director of this company, is a designated member, and P T Agencies Limited and P T Timber Limited, subsidiaries of 1M Group Limited, are also members.

Included in group trade debtors is £235,097 (2021: £178,096) owed to the group by Harrod Associates International LLP. This is an unsecured, interest free balance repayable on demand.

During the year £247,351 (2021: £215,108) in sales commissions was paid by the group to Harrod Associates International LLP. Environmental consultancy fees of £Nil (2021: £16,500) were charged to the group during the year by Harrod Associates International LLP.

Included in group trade creditors is £109,193 (2021: £100,416) owed by the group to Harrod Associates International LLP. This is an unsecured, interest free balance repayable on demand.

The subsidiary company, P. T. Timber Limited, received profit share of £2,000 (2021: £2,000) from Harrod Associates International LLP during the year.

The offices that were used by the subsidiary, P T Agencies Limited, are owned by a Self Invested Personal Pension Plan in which the director, Mr M Harrod, is a beneficiary. Rent of £5,700 (2021: £5,930) was paid in the year. All transactions were on normal commercial terms. No balances were outstanding with the Self Invested Personal Pension Plan at the year end (2021: £nil).

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