

REGISTERED NUMBER: OC370578 (England and Wales)

**REPORT OF THE MEMBERS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
CID PRODUCTS LLP**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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CID PRODUCTS LLP

**GENERAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

DESIGNATED MEMBERS:

Highfield Trading Limited
Equitable Fortitude Limited
Greenways Trading Limited
Tenacity Global Limited
Andre Carlos Limited

REGISTERED OFFICE:

Peckfield Business Park
Phoenix Avenue
Micklefield
Leeds
West Yorkshire
LS25 4DY

REGISTERED NUMBER:

OC370578 (England and Wales)

AUDITORS:

Sedulo Audit Limited
Statutory Auditors
Regency Court
62-66 Deansgate
Manchester
M3 2EN

**REPORT OF THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The members present their report with the financial statements of the LLP for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of the retail of civil, safety and construction products.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DESIGNATED MEMBERS

The designated members during the year under review were:

Highfield Trading Limited
Equitable Fortitude Limited
Greenways Trading Limited
Tenacity Global Limited
Andre Carlos Limited

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was £4,022,737 (2021 - £3,019,892 profit).

MEMBERS' INTERESTS

The members' drawings policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business, as agreed collectively by the members in meeting.

There is no members capital requirement.

Profits divided to members are treated as debts due to members in the financial statements and can be drawn in accordance with the policy outlined above. Undivided profits are not allocated to members and are carried as equity reserves until such time as they are formally divided as profit share to members..

DONATIONS AND EXPENDITURE

During the year the company made charitable donations of £229,879 (2021: £141,854).

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under legislation applicable to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

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

**REPORT OF THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF MEMBERS' RESPONSIBILITIES - continued

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Sedulo Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE MEMBERS:

Tenacity Global Limited - Designated member

13 March 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CID PRODUCTS LLP

Opinion

We have audited the financial statements of CID Products LLP (the 'LLP') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, 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 LLP's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' 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 LLP'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 members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CID PRODUCTS LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to LLPs requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on pages two and three, the members 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 members determine 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was capable of detecting irregularities, including fraud

The primary responsibility for the prevention and detection of fraud rests with directors and management, and we cannot be expected to detect non-compliance with all laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our knowledge of the business and sector, enquiries of directors and management, and review of regulatory information and correspondence. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

We discussed with directors and management the policies and procedures in place to ensure compliance with laws and regulations and otherwise prevent, deter and detect fraud.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified as potentially having a material effect on the financial statements. Our procedures included review of financial statement information and testing of that information, enquiry of management and examination of relevant documentation, analytical procedures to identify unusual or unexpected relationships that may indicate fraud, and procedures to address the risk of fraud through director or management override of controls.

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 Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CID PRODUCTS LLP

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Stansfield (Senior Statutory Auditor)
for and on behalf of Sedulo Audit Limited
Statutory Auditors
Regency Court
62-66 Deansgate
Manchester
M3 2EN

13 March 2023

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

		31.12.22 £	31.12.21 £
	Notes		
TURNOVER		33,843,428	23,688,745
Cost of sales		<u>23,731,842</u>	<u>16,386,929</u>
GROSS PROFIT		10,111,586	7,301,816
Administrative expenses		<u>6,045,630</u>	<u>4,247,682</u>
OPERATING PROFIT	4	4,065,956	3,054,134
Interest receivable and similar income		<u>10,285</u>	<u>47</u>
		4,076,241	3,054,181
Interest payable and similar expenses	5	<u>53,504</u>	<u>34,289</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		4,022,737	3,019,892
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		4,022,737	3,019,892
Members' remuneration charged as an expense	6	<u>-</u>	<u>(3,019,892)</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>4,022,737</u>	<u>-</u>

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31.12.22 £	31.12.21 £
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		4,022,737	3,019,892
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,022,737</u>	<u>3,019,892</u>

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Notes	31.12.22 £	£	31.12.21 £	£
FIXED ASSETS					
Intangible assets	8		8,012		7,256
Tangible assets	9		<u>505,075</u>		<u>433,185</u>
			513,087		440,441
CURRENT ASSETS					
Stocks	10	4,605,962		3,468,024	
Debtors	11	6,772,425		5,311,851	
Cash at bank and in hand		<u>3,250,865</u>		<u>723,334</u>	
		14,629,252		9,503,209	
CREDITORS					
Amounts falling due within one year	12	<u>6,116,560</u>		<u>3,393,386</u>	
NET CURRENT ASSETS			<u>8,512,692</u>		<u>6,109,823</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,025,779		6,550,264
CREDITORS					
Amounts falling due after more than one year	13		<u>476,416</u>		<u>685,855</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>8,549,363</u>		<u>5,864,409</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	17		5,997,426		5,864,409
MEMBERS' OTHER INTERESTS					
Other reserves	18		<u>2,551,937</u>		<u>-</u>
			<u>8,549,363</u>		<u>5,864,409</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	17		5,997,426		5,864,409
Members' other interests			<u>2,551,937</u>		<u>-</u>
			<u>8,549,363</u>		<u>5,864,409</u>

The financial statements were approved by the members of the LLP and authorised for issue on 13 March 2023 and were signed by:

Tenacity Global Limited - Designated member

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors	TOTAL MEMBERS' INTERESTS
	Other reserves £	Other amounts £	Total £
Amount due to members		5,864,409	
Amount due from members		-	
Balance at 1 January 2022	-	5,864,409	5,864,409
Profit for the financial year available for discretionary division among members	4,022,737	-	4,022,737
Members' interests after profit for the year	4,022,737	5,864,409	9,887,146
Other divisions of profit	(1,470,800)	1,470,800	-
Drawings on account and distributions of profit	-	(1,337,783)	(1,337,783)
Amount due to members		5,997,426	
Amount due from members		-	
Balance at 31 December 2022	2,551,937	5,997,426	8,549,363

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors	TOTAL MEMBERS' INTERESTS
	Other reserves £	Other amounts £	Total £
Amount due to members		4,011,721	
Amount due from members		-	
Balance at 1 January 2021	-	4,011,721	4,011,721
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	3,019,892	3,019,892
Profit for the financial year available for discretionary division among members	-	-	-
Members' interests after profit for the year	-	7,031,613	7,031,613
Drawings on account and distributions of profit	-	(1,167,204)	(1,167,204)
Amount due to members		5,864,409	
Amount due from members		-	
Balance at 31 December 2021	-	5,864,409	5,864,409

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

		31.12.22 £	31.12.21 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	2	4,336,940	645,008
Interest paid		(26,972)	(14,050)
Interest element of hire purchase payments paid		(26,532)	(20,239)
Net cash from operating activities		<u>4,283,436</u>	<u>610,719</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(2,975)	(4,521)
Purchase of tangible fixed assets		(310,956)	(78,437)
Sale of tangible fixed assets		68,945	14,923
Interest received		10,285	47
Net cash from investing activities		<u>(234,701)</u>	<u>(67,988)</u>
Transactions with members and former members			
Payments to members		<u>(1,337,783)</u>	<u>(1,167,204)</u>
Cash flows from other financing activities			
Loan repayments in year		(222,222)	(482,879)
HP and finance lease repayments		38,801	(98,844)
		<u>(183,421)</u>	<u>(581,723)</u>
Net cash from financing activities		<u>(1,521,204)</u>	<u>(1,748,927)</u>
Increase/(decrease) in cash and cash equivalents		<u>2,527,531</u>	<u>(1,206,196)</u>
Cash and cash equivalents at beginning of year	3	723,334	1,929,530
Cash and cash equivalents at end of year	3	<u>3,250,865</u>	<u>723,334</u>

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**
1. CLASSIFICATION OF SHARE OF PROFITS IN THE CASH FLOW STATEMENT

With effect from 1 January 2022, pursuant to a variation to the partnership agreement, division of profits is entirely at the discretion of the LLP. Prior to 1 January 2022 division of profits to the members was automatic under the terms of the partnership agreement.

2. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO CASH GENERATED FROM OPERATIONS

	31.12.22 £	31.12.21 £
Profit for the financial year available for discretionary division among members	4,022,737	-
Members' remuneration charged as an expense	-	3,019,892
Depreciation charges	153,655	115,076
Loss on disposal of fixed assets	18,685	5,122
Finance costs	53,504	34,289
Finance income	(10,285)	(47)
	<u>4,238,296</u>	<u>3,174,332</u>
Increase in stocks	(1,137,938)	(1,267,514)
Increase in trade and other debtors	(1,460,574)	(2,441,385)
Increase in trade and other creditors	<u>2,697,156</u>	<u>1,179,575</u>
Cash generated from operations	<u>4,336,940</u>	<u>645,008</u>

3. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31.12.22 £	1.1.22 £
Cash and cash equivalents	<u>3,250,865</u>	<u>723,334</u>

Year ended 31 December 2021

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>723,334</u>	<u>1,929,530</u>

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**
4. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22 £	Cash flow £	Other non-cash changes £	At 31.12.22 £
Net cash				
Cash at bank and in hand	<u>723,334</u>	<u>2,527,531</u>		<u>3,250,865</u>
	<u>723,334</u>	<u>2,527,531</u>		<u>3,250,865</u>
Debt				
Finance leases	(221,957)	(38,801)	-	(260,758)
Debts falling due within 1 year	(222,222)	-	-	(222,222)
Debts falling due after 1 year	<u>(555,556)</u>	<u>222,222</u>	-	<u>(333,334)</u>
	<u>(999,735)</u>	<u>183,421</u>	-	<u>(816,314)</u>
Net (debt)/funds (before members' debt)	(276,401)	2,710,952	-	2,434,551
Loans and other debts due to members				
Other amounts due to members	<u>(5,864,409)</u>	<u>1,337,783</u>	<u>(1,470,800)</u>	<u>(5,997,426)</u>
Net debt	<u>(6,140,810)</u>	<u>4,048,735</u>	<u>(1,470,800)</u>	<u>(3,562,875)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. STATUTORY INFORMATION

CID Products LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

The principal activity of the company is the retail of civil, safety and construction products.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling (GBP), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The business leases its premises on a rolling one year lease that expires each March. A new rolling lease is expected to be agreed with the landlord in March 2023 and is expected to continue for the foreseeable future.

The business has continued to trade and expand throughout the period. The management have prepared projections for the next 12 months and are satisfied that the business will meet its liabilities as and when they fall due and continue to be profitable.

Accordingly, at the time of signing these accounts the members are of the opinion that the business will remain viable for the foreseeable future and therefore these Financial Statements have been prepared on the going concern basis.

Significant judgements and estimates

In the application of the LLP's accounting policies, the management 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 management have exercised judgement in determining:

- whether there are indications of impairment of the LLP's fixed assets
- whether any provisions are required in respect of stock obsolescence
- whether any provisions are required in respect of the recoverability of trade debtors

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable for sales of goods, recognised by reference to date of despatch, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Computer software is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 33% on cost and 10% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are initially recognised at historic cost or deemed historic cost, which includes expenditure incurred in bringing the asset to its present location and condition.

They are assessed at each reporting date for evidence of impairment. Impairment losses are recognised for the amount by which the carrying amount exceeds recoverable amount. Assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that previously recognised impairment losses may no longer exist or be reduced, and any reversal recognised in the accounts.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The LLP operates a defined contribution pension scheme. Contributions payable to the LLP's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

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

The group only enters into transactions in 'basic' financial instruments which result in the recognition of assets and liabilities; these include trade and other debtors and creditors, bank balances, loans from banks and other third parties, and loans to related parties.

Basic financial assets (other than those classified as payable within one year) are initially measured at cost, and are subsequently carried at cost or amortised cost using the effective interest method, less any impairment losses. Basic financial assets classified as receivable within one year are not amortised.

Basic financial liabilities (other than those classified as payable within one year) are initially recognised at present value of future cash flows and subsequently at amortised costs using the effective interest method. Basic financial liabilities classified as payable within one year are not amortised.

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

3. EMPLOYEE INFORMATION

	31.12.22	31.12.21
	£	£
Wages and salaries	3,161,114	2,213,279
Social security costs	369,162	254,715
Other pension costs	34,088	21,576
	<u>3,564,364</u>	<u>2,489,570</u>

The average number of employees during the year was as follows:

	31.12.22	31.12.21
Warehouse and administrative	<u>71</u>	<u>59</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022
4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.22	31.12.21
	£	£
Hire of plant and machinery	27,598	39,584
Other operating leases	178,512	152,230
Depreciation - owned assets	49,846	36,220
Depreciation - assets on hire purchase contracts	101,590	69,121
Loss on disposal of fixed assets	18,685	5,122
Patents and licences amortisation	2,219	1,715
Computer software amortisation	-	8,020
Auditors' remuneration	18,000	10,000
Foreign exchange differences	<u>(21,097)</u>	<u>42,289</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.22	31.12.21
	£	£
Bank interest	26,972	14,050
Hire purchase	<u>26,532</u>	<u>20,239</u>
	<u>53,504</u>	<u>34,289</u>

6. INFORMATION IN RELATION TO MEMBERS

	31.12.22	31.12.21
	£	£
Members' remuneration charged as an expense		
Partners' salaries	<u>-</u>	<u>3,019,892</u>

	31.12.22	31.12.21
	£	£
The amount of profit attributable to the member with the largest entitlement was	<u>294,161</u>	<u>603,979</u>

	31.12.22	31.12.21
The average number of members during the year was	<u>5</u>	<u>5</u>

With effect from 1 January 2022, pursuant to a variation to the partnership agreement, division of profits is entirely at the discretion of the LLP. Prior to 1 January 2022 division of profits to the members was automatic under the terms of the partnership agreement.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

7. RESTATEMENT OF COMPARATIVE FIGURES

Prior year figures have been restated to show profits of £3,019,892 previously shown as discretionary as being a members expense; this has been done to ensure comparatives are consistent with SORP Accounting by Limited Liability Partnerships 2022 which becomes effective for the first time in year ended 31 December 2022.

Prior year figures have also been restated such that wages and salaries costs, totalling £392,982, have been reallocated from Cost of sales to Administrative expenses.

Neither of the above has any effect on reported results or the comparative balance sheet presentation.

8. INTANGIBLE FIXED ASSETS

	Patents and licences £	Computer software £	Totals £
COST			
At 1 January 2022	20,935	40,628	61,563
Additions	2,975	-	2,975
At 31 December 2022	<u>23,910</u>	<u>40,628</u>	<u>64,538</u>
AMORTISATION			
At 1 January 2022	13,679	40,628	54,307
Amortisation for year	2,219	-	2,219
At 31 December 2022	<u>15,898</u>	<u>40,628</u>	<u>56,526</u>
NET BOOK VALUE			
At 31 December 2022	<u>8,012</u>	<u>-</u>	<u>8,012</u>
At 31 December 2021	<u>7,256</u>	<u>-</u>	<u>7,256</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2022	23,479	150,446	332,756	339,281	845,962
Additions	-	53,380	84,728	172,848	310,956
Disposals	-	(14,160)	-	(142,802)	(156,962)
At 31 December 2022	<u>23,479</u>	<u>189,666</u>	<u>417,484</u>	<u>369,327</u>	<u>999,956</u>
DEPRECIATION					
At 1 January 2022	23,479	47,728	238,821	102,749	412,777
Charge for year	-	17,725	52,837	80,874	151,436
Eliminated on disposal	-	-	-	(69,332)	(69,332)
At 31 December 2022	<u>23,479</u>	<u>65,453</u>	<u>291,658</u>	<u>114,291</u>	<u>494,881</u>
NET BOOK VALUE					
At 31 December 2022	<u>-</u>	<u>124,213</u>	<u>125,826</u>	<u>255,036</u>	<u>505,075</u>
At 31 December 2021	<u>-</u>	<u>102,718</u>	<u>93,935</u>	<u>236,532</u>	<u>433,185</u>

Improvements to property represent additions to short leasehold and have been fully depreciated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2022	13,750	50,525	338,140	402,415
Additions	34,450	-	172,848	207,298
Disposals	-	-	(142,801)	(142,801)
Transfer to ownership	(13,750)	-	-	(13,750)
At 31 December 2022	<u>34,450</u>	<u>50,525</u>	<u>368,187</u>	<u>453,162</u>
DEPRECIATION				
At 1 January 2022	2,787	29,321	106,860	138,968
Charge for year	5,089	15,735	80,766	101,590
Eliminated on disposal	-	-	(72,910)	(72,910)
Transfer to ownership	(4,431)	-	-	(4,431)
At 31 December 2022	<u>3,445</u>	<u>45,056</u>	<u>114,716</u>	<u>163,217</u>
NET BOOK VALUE				
At 31 December 2022	<u>31,005</u>	<u>5,469</u>	<u>253,471</u>	<u>289,945</u>
At 31 December 2021	<u>10,963</u>	<u>21,204</u>	<u>231,280</u>	<u>263,447</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022
10. STOCKS

	31.12.22	31.12.21
	£	£
Stocks	<u>4,605,962</u>	<u>3,468,024</u>

Stocks represent finished goods available for sale. There is no significant difference between carrying cost in the accounts and replacement cost.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade debtors	6,193,187	4,894,050
Other debtors	249,853	231,538
Prepayments	329,385	186,263
	<u>6,772,425</u>	<u>5,311,851</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans and overdrafts (see note 14)	222,222	222,222
Hire purchase contracts (see note 15)	117,676	91,658
Trade creditors	4,825,150	2,345,039
Social security and other taxes	100,257	64,568
VAT	568,420	185,867
Other creditors	10,432	14,326
Wages control	189,963	144,421
Accruals and deferred income	82,440	325,285
	<u>6,116,560</u>	<u>3,393,386</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans (see note 14)	333,334	555,556
Hire purchase contracts (see note 15)	143,082	130,299
	<u>476,416</u>	<u>685,855</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.22	31.12.21
	£	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	<u>222,222</u>	<u>222,222</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>222,222</u>	<u>222,222</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022
14. LOANS - continued

	31.12.22 £	31.12.21 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>111,112</u>	<u>333,334</u>

15. LEASING AGREEMENTS

The business has property lease commitments of £150,000 per annum on a rolling agreement which expires annually in March of each year and which, as disclosed at note 2, is to be renewed for a further year.

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.22 £	31.12.21 £
Bank loans	555,556	777,778
Hire purchase contracts	<u>260,758</u>	<u>221,957</u>
	<u>816,314</u>	<u>999,735</u>

Hire purchase contracts are secured on the assets to which they relate. Bank loans and overdrafts are secured on certain assets of the business, and in respect of some loans by personal guarantees of certain directors of member companies.

17. LOANS AND OTHER DEBTS DUE TO MEMBERS

	31.12.22 £	31.12.21 £
Amounts owed to members in respect of profits	<u>5,997,426</u>	<u>5,864,409</u>
Falling due within one year	<u>5,997,426</u>	<u>5,864,409</u>

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

18. RESERVES

	Other reserves £
Undivided profit	<u>2,551,937</u>
At 31 December 2022	<u>2,551,937</u>

There are no specific rights, preferences or restrictions attaching to undivided profits. In the event of a winding up the amounts would be treated as due to members and rank equally with unsecured creditors.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

19. RELATED PARTY DISCLOSURES

The key management personnel of the company are Edwin Soulsby, Alfred Soulsby, Jethro Soulsby, Jacob Soulsby and John Soulsby, each of whom is a director and controlling party of one of the member companies.

Included in other debtors is a balance of £231,538 (2021: £231,538) due from Mr & Mrs E Soulsby, directors and controlling parties of Tenacity Global Limited, a designated member. There is no due date for repayment.

20. POST BALANCE SHEET EVENTS

With effect from 1 January 2023, pursuant to a group restructuring involving CID Products LLP and its five member companies, the trade and assets of the business were transferred into one of the existing companies within the group, CID Trading Limited (formerly Equitable Fortitude Limited). The undivided profits as at 31 December 2022 were divided as at 1 January 2023 as part of the restructuring together with all other assets and liabilities.

In all respects the ongoing ownership and control (see note 21), management and activities of the business are unchanged, and there is no change in the asset position of the LLP.

21. ULTIMATE CONTROLLING PARTY

Pursuant to its membership agreement, as at the year end the LLP was jointly controlled by its five designated member companies, each of which holds an equal interest in the LLP.

Subsequent to the year end, and pursuant to the restructuring referred to at note 20, control is unchanged, residing in the shareholders of the aforementioned member companies as at the year end.

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