

FURNITURE@WORK LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Page
Strategic Report	1
Report of the Director	2
Report of the Independent Auditors	4
Profit and Loss Account	8
Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The director presents his strategic report for the year ended 30 September 2021.

REVIEW OF BUSINESS

The company continues to act as a supplier of office furniture to small and medium sized companies, the government and to the home office market.

The results for the year are as set out on pages 8 to 20 and show a profit before tax of £408,388 (2020: £812,538). The shareholders funds of the company total £1,457,522 (2020: £1,725,520). The director is satisfied with the results for the year. Management continues to invest in the company.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company, are set out as follows:

Fraud and business risk:

The company keeps these areas under continual review. Company procedures are periodically reviewed and any failings addressed immediately. Key performance indicators are used to measure and monitor business critical issues.

Liquidity risk:

The company aims to minimise liquidity risk by managing funds generated by its operations.

Credit risk:

The company maintains good relations with its principal customers and the credit worthiness of new credit customers is checked with an external credit reference agency.

Business continuity and disaster recovery risk:

The director has recognised the key issues and risks that would require to be addressed in the event of any business continuity issues and the company has developed a framework to identify and take appropriate action to mitigate such risk.

FINANCIAL INSTRUMENTS

The company has adopted the disclosure and presentational requirements of FRS 102. When a financial asset or liability is disclosed initially it is measured at its fair value plus or minus transaction costs. The company regularly monitors its exposure to risks including pricing, credit, liquidity and cash flow.

The company is satisfied with the level of cash flow being maintained after taking into consideration the timing aspect of debtor recoverability and the payment of trade creditors and business expenses.

FUTURE DEVELOPMENTS

The business has and will continue to invest in its marketing, customer service, employees, IT infrastructure and operating procedures.

ON BEHALF OF THE BOARD:

M Philp - Director

17 March 2022

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The director presents his report with the financial statements of the company for the year ended 30 September 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of office furniture to small and medium sized companies, the government and the home office market.

DIVIDENDS

Dividends distributed for the year ended 30 September 2021 were £609,750 (2020: £500,000).

DIRECTOR

M Philp held office during the whole of the period from 1 October 2020 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) Companies Act 2006 to set out in the Company's Strategic Report information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Report of the Director. It has done so in respect of financial instruments and future developments.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Directors, the Strategic Report and the financial statements in accordance with applicable laws 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

M Philp - Director

17 March 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FURNITURE@WORK LIMITED

Opinion

We have audited the financial statements of Furniture@Work Limited (the 'company') for the year ended 30 September 2021 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 company's affairs as at 30 September 2021 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.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 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.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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.

Opinions 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 Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FURNITURE@WORK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 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
- 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.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, 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 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FURNITURE@WORK LIMITED

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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the key accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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
FURNITURE@WORK LIMITED**

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark McRae CA (Senior Statutory Auditor)
for and on behalf of Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

17 March 2022

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	3	23,430,155	18,986,943
Cost of sales		<u>16,461,617</u>	<u>13,453,921</u>
GROSS PROFIT		6,968,538	5,533,022
Administrative expenses		<u>7,003,742</u>	<u>5,085,919</u>
		(35,204)	447,103
Other operating income		<u>443,592</u>	<u>352,811</u>
OPERATING PROFIT	5	408,388	799,914
Interest receivable and similar income		<u>-</u>	<u>12,624</u>
PROFIT BEFORE TAXATION		408,388	812,538
Tax on profit	6	<u>66,636</u>	<u>157,868</u>
PROFIT FOR THE FINANCIAL YEAR		<u>341,752</u>	<u>654,670</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		341,752	654,670
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>341,752</u>	<u>654,670</u>

BALANCE SHEET
30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	8		68,761		12,444
Tangible assets	9		<u>15,961</u>		<u>20,403</u>
			84,722		32,847
CURRENT ASSETS					
Debtors	10	1,989,048		2,247,818	
Cash at bank		<u>7,519,552</u>		<u>7,773,461</u>	
		9,508,600		10,021,279	
CREDITORS					
Amounts falling due within one year	11	<u>8,135,800</u>		<u>8,328,606</u>	
NET CURRENT ASSETS			<u>1,372,800</u>		<u>1,692,673</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,457,522</u>		<u>1,725,520</u>
CAPITAL AND RESERVES					
Called up share capital	12		30,000		30,000
Retained earnings	13		<u>1,427,522</u>		<u>1,695,520</u>
SHAREHOLDERS' FUNDS			<u>1,457,522</u>		<u>1,725,520</u>

The financial statements were approved by the director and authorised for issue on 17 March 2022 and were signed by:

M Philp - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2019	30,000	1,540,850	1,570,850
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	654,670	654,670
Balance at 30 September 2020	<u>30,000</u>	<u>1,695,520</u>	<u>1,725,520</u>
Changes in equity			
Dividends	-	(609,750)	(609,750)
Total comprehensive income	-	341,752	341,752
Balance at 30 September 2021	<u>30,000</u>	<u>1,427,522</u>	<u>1,457,522</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	591,737	2,788,814
Tax paid		<u>(159,061)</u>	<u>(148,284)</u>
Net cash from operating activities		<u>432,676</u>	<u>2,640,530</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(73,163)	-
Purchase of tangible fixed assets		(3,672)	-
Interest received		-	12,624
Net cash from investing activities		<u>(76,835)</u>	<u>12,624</u>
Cash flows from financing activities			
Grants in year		-	25,000
Equity dividends paid		<u>(609,750)</u>	<u>(500,000)</u>
Net cash from financing activities		<u>(609,750)</u>	<u>(475,000)</u>
(Decrease)/increase in cash and cash equivalents		<u>(253,909)</u>	<u>2,178,154</u>
Cash and cash equivalents at beginning of year	2	7,773,461	5,595,307
Cash and cash equivalents at end of year	2	<u>7,519,552</u>	<u>7,773,461</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Profit before taxation	408,388	812,538
Depreciation charges	24,960	34,106
Government grants	-	(25,000)
Finance income	-	(12,624)
	<u>433,348</u>	<u>809,020</u>
Decrease/(increase) in trade and other debtors	258,770	(994,437)
(Decrease)/increase in trade and other creditors	<u>(100,381)</u>	<u>2,974,231</u>
Cash generated from operations	<u>591,737</u>	<u>2,788,814</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2021

	30/9/21 £	1/10/20 £
Cash and cash equivalents	<u>7,519,552</u>	<u>7,773,461</u>

Year ended 30 September 2020

	30/9/20 £	1/10/19 £
Cash and cash equivalents	<u>7,773,461</u>	<u>5,595,307</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/20 £	Cash flow £	At 30/9/21 £
Net cash			
Cash at bank	<u>7,773,461</u>	<u>(253,909)</u>	<u>7,519,552</u>
	<u>7,773,461</u>	<u>(253,909)</u>	<u>7,519,552</u>
Total	<u>7,773,461</u>	<u>(253,909)</u>	<u>7,519,552</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. STATUTORY INFORMATION

Furniture@Work Limited is a private company limited by shares, registered in Scotland. The registered office is Caledonia House, 89 Seaward Street, Glasgow, G41 1HJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The 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 Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

Going concern

After reviewing the company's forecasts and projections as well as all considerations in relation to the Coronavirus pandemic which resulted in a nationwide Government lockdown and temporary closure of the business premises, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The company considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements.

Critical accounting judgements

In preparing these financial statements, the directors has the following judgements: -

- The company has applied a judgement to recognise secured cash held between twelve months and five years depending on the circumstances and release it to the profit and loss.

Key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make estimates and assumptions about the carrying amounts 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 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The director considers the key sources of estimation uncertainty to be as follows: -

- Intangible fixed assets are amortised over their estimated useful lives less residual values. The actual lives of the assets are assessed annually and may vary depending on several factors. The director assessed that no changes were required to the estimated useful lives of the intangible fixed assets and therefore, determined that the stated amortisation policies applied in prior years remain appropriate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

- Tangible fixed assets are depreciated over their estimated useful lives less residual values. The actual lives of the assets are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as usage and maintenance programmes are taken into account. The director assessed that no changes were required to the estimated useful lives of the tangible fixed assets and therefore, determined that the stated depreciation policies applied in prior years remain appropriate.

- At the balance sheet date, the director considers whether there are any indicators that the trade debtor balances relating to goods supplied will not be recoverable, to ensure an adequate provision is made for any potentially irrecoverable amounts.

Turnover

Turnover represents net invoiced sale of goods, excluding value added tax. The company's policy is to recognise a sale when substantially all risks and rewards in connection with the goods have passed to the buyer.

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.

Website development costs are amortised on a straight line basis over 3 years from the date of project completion.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Motor vehicles	- 25% on cost
Computer equipment	- 33.3% on cost

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

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like development costs and plant and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount which is the higher of value in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments like accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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

Taxation

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

With the exception of changes arising on the initial recognition of a business combination, the tax expense is presented either in profit or loss, other comprehensive income or statement of changes in equity depending on the transaction that resulted in the tax expense.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme on behalf of the employees of the company. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company.

Operating lease agreements

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. TURNOVER

The turnover was derived from the company's principal activity and was wholly undertaken in the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	994,823	1,092,001
Social security costs	104,168	118,089
Other pension costs	8,298	9,042
	<u>1,107,289</u>	<u>1,219,132</u>

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

	2021	2020
Administrative staff	25	24
Management staff	<u>1</u>	<u>1</u>
	<u>26</u>	<u>25</u>

	2021	2020
	£	£
Director's remuneration	<u>462,115</u>	<u>582,176</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>462,115</u>	<u>582,176</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Other operating leases	-	1,602
Depreciation - owned assets	8,114	12,772
Development Costs amortisation	16,846	21,334
Auditors' remuneration	9,000	7,700
Auditor's remuneration for non audit services	<u>13,875</u>	<u>10,525</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	66,645	159,070
Adjustment in respect of previous year	<u>(9)</u>	<u>(1,202)</u>
Tax on profit	<u><u>66,636</u></u>	<u><u>157,868</u></u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u><u>408,388</u></u>	<u><u>812,538</u></u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	77,594	154,382
Effects of:		
Expenses not deductible for tax purposes	5,188	6,519
Capital allowances in excess of depreciation	(16,137)	(1,831)
Adjustments to tax charge in respect of previous periods	<u>(9)</u>	<u>(1,202)</u>
Total tax charge	<u><u>66,636</u></u>	<u><u>157,868</u></u>

7. DIVIDENDS

	2021 £	2020 £
Final	<u><u>609,750</u></u>	<u><u>500,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8. INTANGIBLE FIXED ASSETS

	Development Costs £
COST	
At 1 October 2020	64,000
Additions	73,163
At 30 September 2021	137,163
AMORTISATION	
At 1 October 2020	51,556
Amortisation for year	16,846
At 30 September 2021	68,402
NET BOOK VALUE	
At 30 September 2021	68,761
At 30 September 2020	12,444

9. TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 October 2020	29,000	4,901	33,901
Additions	-	3,672	3,672
At 30 September 2021	29,000	8,573	37,573
DEPRECIATION			
At 1 October 2020	9,667	3,831	13,498
Charge for year	7,250	864	8,114
At 30 September 2021	16,917	4,695	21,612
NET BOOK VALUE			
At 30 September 2021	12,083	3,878	15,961
At 30 September 2020	19,333	1,070	20,403

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,832,879	2,013,022
Prepayments and accrued income	156,169	234,796
	<u>1,989,048</u>	<u>2,247,818</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	7,058,210	6,867,303
Corporation Tax	66,645	159,070
Social security and other taxes	28,467	31,279
VAT	589,083	819,824
Accruals and deferred income	393,395	451,130
	<u>8,135,800</u>	<u>8,328,606</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
30,000	Ordinary	£1	<u>30,000</u>	<u>30,000</u>

The rights attached to the Ordinary shares shall be determined from time to time in meeting by the director.

13. RESERVES

	Retained earnings
	£
At 1 October 2020	1,695,520
Profit for the year	341,752
Dividends	(609,750)
At 30 September 2021	<u>1,427,522</u>

14. PENSION COMMITMENTS

The company pays into the pension scheme of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions this year were £8,298 (2020: £9,042). As at the balance sheet date, contributions of £1,632 (2020: £1,629) were due and are included in creditors.

15. RELATED PARTY DISCLOSURES

There are no related party transactions for the year (2020: £nil).

During the year, the total of key management personnel remuneration was £468,548 (2020: £584,017) and this includes additional benefits in kind. The director is considered to be the only key management personnel.

16. ULTIMATE CONTROLLING PARTY

There is no individual controlling party by virtue of individual shareholdings.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.