

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
HAYES GARDENWORLD LIMITED**

Wallwork Nelson & Johnson  
Chartered Accountants & Statutory Auditors  
Chandler House  
7 Ferry Road Office Park  
Riversway  
Preston  
Lancashire  
PR2 2YH

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**HAYES GARDENWORLD LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:**

D Klein  
K D Laird

**REGISTERED OFFICE:**

Calluna House  
Lake Road  
Ambleside  
Cumbria  
LA22 0DW

**REGISTERED NUMBER:**

01597594 (England and Wales)

**AUDITORS:**

Wallwork Nelson & Johnson  
Chartered Accountants & Statutory Auditors  
Chandler House  
7 Ferry Road Office Park  
Riversway  
Preston  
Lancashire  
PR2 2YH

**SOLICITORS:**

Squire Patton Boggs (UK) LLP  
No 1 Spinningfields  
1 Hardman Square  
Manchester  
M3 3EB

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their strategic report for the year ended 31 December 2021.

**RESULTS**

The company performed exceptionally well in 2021, recording its highest turnover and profit levels in recent memory. On top of this, the company was able to sell a disused warehouse, and so was able to clear bank debt completely by the summer, and recorded net current assets over liabilities for the first time since 2016.

The company directors plan to build on the recent trading results to grow again in 2022, with the renovation of café facilities at the garden centre in Ambleside, as well as the relocation/amalgamation of distribution warehouses, to allow for a more efficient delivery process of online sales.

**REVIEW OF BUSINESS**

The principal activity of the company continues to be that of a garden centre. The company retails a wide range of products including plants, garden furniture and BBQ's, gifts, clothing, Christmas products and garden care items, as well as operating an onsite catering facility. The company also operates online, primarily retailing garden furniture, BBQ's and Christmas trees.

The company is committed to making as many environmental savings as possible. This is evidenced by the use of company vehicles to bring staff into work, reducing the number of vehicles on the road, alongside the harvesting of rain water which is then used by the company for things such as watering plants.

The company shows a commitment to local charities with numerous collection points around the garden centre and staff undertaking various events to raise money for charity.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company remains in a strong financial position however the general economic climate within the United Kingdom continues to pose a threat to the company due to the restricted level of people's disposable income. The performance of the company will always be subject to the vagaries of the weather in the United Kingdom.

**ON BEHALF OF THE BOARD:**

D Klein - Director

21 September 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2021 will be £ 4,000 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

D Klein  
K D Laird

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 directors are 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 each director 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:**

D Klein - Director

21 September 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYES GARDENWORLD LIMITED**

### **Opinion**

We have audited the financial statements of Hayes Gardenworld Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, 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 31 December 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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 Directors 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 Directors have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYES GARDENWORLD 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 Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls and evaluating the business rationale of significant transactions outside the normal course of business.

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 Report of the Auditors.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYES GARDENWORLD 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.

Paul Woodburn FCA (Senior Statutory Auditor)  
for and on behalf of Wallwork Nelson & Johnson  
Chartered Accountants & Statutory Auditors  
Chandler House  
7 Ferry Road Office Park  
Riversway  
Preston  
Lancashire  
PR2 2YH

21 September 2022



**HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31/12/21 £	31/12/20 £
<b>TURNOVER</b>		15,784,056	12,357,820
Cost of sales		<u>11,462,942</u>	<u>9,025,023</u>
<b>GROSS PROFIT</b>		4,321,114	3,332,797
Administrative expenses		<u>3,846,337</u>	<u>3,767,082</u>
		474,777	(434,285)
Other operating income		<u>533,092</u>	<u>1,139,138</u>
<b>OPERATING PROFIT</b>	4	1,007,869	704,853
Interest receivable and similar income		<u>1,871</u>	<u>-</u>
		1,009,740	704,853
Interest payable and similar expenses	5	<u>39,199</u>	<u>112,996</u>
<b>PROFIT BEFORE TAXATION</b>		970,541	591,857
Tax on profit	6	<u>126,997</u>	<u>115,809</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>843,544</u>	<u>476,048</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31/12/21 £	31/12/20 £
<b>PROFIT FOR THE YEAR</b>		843,544	476,048
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation of fixed assets		720,000	880,000
Income tax relating to other comprehensive income		<u>(136,800)</u>	<u>(167,200)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>583,200</u>	<u>712,800</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,426,744</u>	<u>1,188,848</u>

**HAYES GARDENWORLD LIMITED (REGISTERED NUMBER: 01597594)**

**BALANCE SHEET  
31 DECEMBER 2021**

	Notes	31/12/21 £	£	31/12/20 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		9,381,153		10,127,376
<b>CURRENT ASSETS</b>					
Stocks	9	2,655,000		1,250,045	
Debtors	10	232,415		204,970	
Cash at bank and in hand		<u>477,877</u>		<u>163,779</u>	
		3,365,292		1,618,794	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>2,380,810</u>		<u>2,952,555</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>984,482</u>		<u>(1,333,761)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			10,365,635		8,793,615
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(10,287)		-
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>(269,716)</u>		<u>(130,727)</u>
<b>NET ASSETS</b>			<u>10,085,632</u>		<u>8,662,888</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		1,013,356		1,013,356
Revaluation reserve	18		513,451		774,945
Retained earnings	18		<u>8,558,825</u>		<u>6,874,587</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>10,085,632</u>		<u>8,662,888</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 September 2022 and were signed on its behalf by:

D Klein - Director

K D Laird - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
<b>Balance at 1 January 2020</b>	1,013,356	6,398,539	62,145	7,474,040
<b>Changes in equity</b>				
Total comprehensive income	-	476,048	712,800	1,188,848
<b>Balance at 31 December 2020</b>	<u>1,013,356</u>	<u>6,874,587</u>	<u>774,945</u>	<u>8,662,888</u>
<b>Changes in equity</b>				
Dividends	-	(4,000)	-	(4,000)
Total comprehensive income	-	1,688,238	(261,494)	1,426,744
<b>Balance at 31 December 2021</b>	<u>1,013,356</u>	<u>8,558,825</u>	<u>513,451</u>	<u>10,085,632</u>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31/12/21 £	31/12/20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	341,766	382,049
Interest paid		(37,336)	(111,785)
Interest element of hire purchase payments paid		(1,863)	(1,211)
Taxation refund		90,000	-
Net cash from operating activities		<u>392,567</u>	<u>269,053</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(262,950)	(300,604)
Sale of tangible fixed assets		1,535,943	499,299
Interest received		1,871	-
Net cash from investing activities		<u>1,274,864</u>	<u>198,695</u>
<b>Cash flows from financing activities</b>			
New loans in year		250,000	175,000
Loan repayments in year		(206,270)	(635,992)
New HP agreements		-	31,155
Capital repayments in year		(13,913)	(10,583)
Equity dividends paid		(4,000)	-
Net cash from financing activities		<u>25,817</u>	<u>(440,420)</u>
<b>Increase in cash and cash equivalents</b>		<u>1,693,248</u>	<u>27,328</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(1,215,371)	(1,242,699)
<b>Cash and cash equivalents at end of year</b>	2	<u>477,877</u>	<u>(1,215,371)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	31/12/21 £	31/12/20 £
Profit before taxation	970,541	591,857
Depreciation charges	199,481	218,734
(Profit)/loss on disposal of fixed assets	(6,251)	33,648
Finance costs	39,199	112,996
Finance income	(1,871)	-
	<u>1,201,099</u>	<u>957,235</u>
(Increase)/decrease in stocks	(1,404,955)	672,587
(Increase)/decrease in trade and other debtors	(27,446)	99,508
Increase/(decrease) in trade and other creditors	<u>573,068</u>	<u>(1,347,281)</u>
<b>Cash generated from operations</b>	<u><u>341,766</u></u>	<u><u>382,049</u></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 31 December 2021**

	31/12/21 £	1/1/21 £
Cash and cash equivalents	477,877	163,779
Bank overdrafts	-	(1,379,150)
	<u><u>477,877</u></u>	<u><u>(1,215,371)</u></u>

**Year ended 31 December 2020**

	31/12/20 £	1/1/20 £
Cash and cash equivalents	163,779	10,239
Bank overdrafts	(1,379,150)	(1,252,938)
	<u><u>(1,215,371)</u></u>	<u><u>(1,242,699)</u></u>

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS**

	At 1/1/21 £	Cash flow £	At 31/12/21 £
<b>Net cash</b>			
Cash at bank and in hand	163,779	314,098	477,877
Bank overdrafts	<u>(1,379,150)</u>	<u>1,379,150</u>	<u>-</u>
	<u>(1,215,371)</u>	<u>1,693,248</u>	<u>477,877</u>
<b>Debt</b>			
Finance leases	(36,169)	13,913	(22,256)
Debts falling due within 1 year	<u>(206,270)</u>	<u>(43,730)</u>	<u>(250,000)</u>
	<u>(242,439)</u>	<u>(29,817)</u>	<u>(272,256)</u>
<b>Total</b>	<u>(1,457,810)</u>	<u>1,663,431</u>	<u>205,621</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. STATUTORY INFORMATION**

Hayes Gardenworld Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**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 Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Turnover**

Turnover is the amount derived from goods supplied during the year, and is stated after trade discounts and net of VAT.

**Tangible fixed assets**

Tangible fixed assets were originally included at cost.

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life.

Freehold land	- No depreciation is charged on freehold land.
Freehold buildings	- No depreciation has been charged on freehold buildings, on the grounds that it would be immaterial.
Plant and machinery	- 15% reducing balance.
Motor vehicles	- 25% reducing balance.

**Stocks**

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**Pension costs and other post-retirement benefits**

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

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

**Covid 19 Pandemic**

As with all companies worldwide, uncertainties have arisen due to the COVID 19 pandemic.

During the period of lockdown essential goods and online trade was allowed to continue, hence, the company continued to trade.

The company also took advantage of government help, where possible, and furloughed staff where necessary.

**Hire purchase and leasing commitments**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**Going concern**

The use of the going concern basis of accounting is appropriate due to the ongoing support of the company's bankers and because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

**3. EMPLOYEES AND DIRECTORS**

	31/12/21	31/12/20
	£	£
Wages and salaries	2,098,700	2,105,459
Social security costs	154,845	155,546
Other pension costs	56,319	56,136
	<u>2,309,864</u>	<u>2,317,141</u>

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

	31/12/21	31/12/20
Directors	2	2
Administration and support	10	10
Direct staff	<u>96</u>	<u>103</u>
	<u>108</u>	<u>115</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. EMPLOYEES AND DIRECTORS - continued**

	31/12/21	31/12/20
	£	£
Directors' remuneration	113,917	96,587
Directors' pension contributions to money purchase schemes	<u>8,143</u>	<u>7,888</u>

**4. OPERATING PROFIT**

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

	31/12/21	31/12/20
	£	£
Depreciation - owned assets	196,312	214,510
Depreciation - assets on hire purchase contracts	3,169	4,225
(Profit)/loss on disposal of fixed assets	(6,251)	33,648
Auditor's remuneration - The audit of the company's annual accounts	5,795	5,045
Operating Leases - other assets	224,305	101,783
Auditors remuneration - accountancy services	<u>2,000</u>	<u>1,000</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31/12/21	31/12/20
	£	£
Bank interest payable	9,076	58,345
Bank loan interest payable	28,260	52,856
Other interest	-	584
Hire purchase interest	<u>1,863</u>	<u>1,211</u>
	<u>39,199</u>	<u>112,996</u>

**6. TAXATION**

**Analysis of the tax charge**

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

	31/12/21	31/12/20
	£	£
Current tax:		
UK corporation tax	124,807	-
Deferred tax		
Origination and reversal of timing differences	<u>2,190</u>	<u>115,809</u>
Tax on profit	<u>126,997</u>	<u>115,809</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 6. TAXATION - continued

**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:

	31/12/21 £	31/12/20 £
Profit before tax	<u>970,541</u>	<u>591,857</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	184,403	112,453
Effects of:		
Expenses not deductible for tax purposes	2,502	3,361
Utilisation of tax losses	(146,192)	(115,814)
Deferred tax	(50,516)	(51,391)
Charge to income statement	<u>136,800</u>	<u>167,200</u>
Total tax charge	<u><u>126,997</u></u>	<u><u>115,809</u></u>

**Tax effects relating to effects of other comprehensive income**

	31/12/21 Gross £	Tax £	Net £
Revaluation of fixed assets	<u>720,000</u>	<u>(136,800)</u>	<u>583,200</u>
	31/12/20 Gross £	Tax £	Net £
Revaluation of fixed assets	<u>880,000</u>	<u>(167,200)</u>	<u>712,800</u>

## 7. DIVIDENDS

	31/12/21 £	31/12/20 £
Interim	<u>4,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>				
At 1 January 2021	9,070,000	3,405,688	500,474	12,976,162
Additions	14,064	197,416	51,470	262,950
Disposals	(1,484,064)	(213,151)	(95,296)	(1,792,511)
Revaluations	720,000	-	-	720,000
At 31 December 2021	8,320,000	3,389,953	456,648	12,166,601
<b>DEPRECIATION</b>				
At 1 January 2021	-	2,504,041	344,745	2,848,786
Charge for year	-	160,211	39,270	199,481
Eliminated on disposal	-	(188,087)	(74,732)	(262,819)
At 31 December 2021	-	2,476,165	309,283	2,785,448
<b>NET BOOK VALUE</b>				
At 31 December 2021	8,320,000	913,788	147,365	9,381,153
At 31 December 2020	9,070,000	901,647	155,729	10,127,376

Cost or valuation at 31 December 2021 is represented by:

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2018	62,145	-	-	62,145
Valuation in 2020	830,000	50,000	-	880,000
Valuation in 2021	(322,743)	-	-	(322,743)
Cost	7,750,598	3,339,953	456,648	11,547,199
	8,320,000	3,389,953	456,648	12,166,601

If Freehold Land and Buildings had not been revalued they would have been included at the following historical cost:

	31/12/21 £	31/12/20 £
Cost	7,750,598	8,437,855
Aggregate depreciation	2,668,556	2,668,556

Freehold land and buildings were valued on an open market basis on 16 July 2021 by The CBRE Group .

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 8. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles £
<b>COST OR VALUATION</b>	
At 1 January 2021 and 31 December 2021	<u>17,365</u>
<b>DEPRECIATION</b>	
At 1 January 2021	4,960
Charge for year	<u>3,169</u>
At 31 December 2021	<u>8,129</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>9,236</u>
At 31 December 2020	<u>12,405</u>

## 9. STOCKS

	31/12/21 £	31/12/20 £
Finished goods	<u>2,655,000</u>	<u>1,250,045</u>

## 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/21 £	31/12/20 £
Trade debtors	11,242	21,612
Other debtors	9,990	40,688
Prepayments and accrued income	<u>211,183</u>	<u>142,670</u>
	<u>232,415</u>	<u>204,970</u>

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/21 £	31/12/20 £
Bank loans and overdrafts (see note 13)	250,000	1,585,420
Hire purchase contracts (see note 14)	11,969	36,169
Trade creditors	1,613,974	847,760
Corporation tax	293,406	78,599
Other taxes and social security	51,607	34,344
VAT	123,309	270,672
Other creditors	10,394	60,216
Accruals and deferred income	<u>26,151</u>	<u>39,375</u>
	<u>2,380,810</u>	<u>2,952,555</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/21	31/12/20
	£	£
Hire purchase contracts (see note 14)	<u>10,287</u>	<u>-</u>

## 13. LOANS

An analysis of the maturity of loans is given below:

	31/12/21	31/12/20
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	1,379,150
Bank loans	<u>250,000</u>	<u>206,270</u>
	<u>250,000</u>	<u>1,585,420</u>

## 14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 31/12/21	31/12/20
	£	£
Net obligations repayable:		
Within one year	11,969	36,169
Between one and five years	<u>10,287</u>	<u>-</u>
	<u>22,256</u>	<u>36,169</u>

	Non-cancellable operating leases 31/12/21	31/12/20
	£	£
Within one year	11,955	-
Between one and five years	<u>12,289</u>	<u>-</u>
	<u>24,244</u>	<u>-</u>

## 15. SECURED DEBTS

The following secured debts are included within creditors:

	31/12/21	31/12/20
	£	£
Bank overdraft	-	1,379,150
Bank loans	<u>250,000</u>	<u>206,270</u>
	<u>250,000</u>	<u>1,585,420</u>

The bank overdraft and bank loan are secured by way of a debenture over all the company's assets dated 5 July 2021 in favour of Barclays Bank PLC.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 16. PROVISIONS FOR LIABILITIES

	31/12/21 £	31/12/20 £
Deferred tax		
Accelerated capital allowances	163,854	109,719
Tax losses carried forward	-	(146,192)
Other timing differences	<u>105,862</u>	<u>167,200</u>
	<u>269,716</u>	<u>130,727</u>
		Deferred tax £
Balance at 1 January 2021		130,727
Provided during year		(144,003)
Charge to Income Statement during year		136,800
Utilised during year		<u>146,192</u>
Balance at 31 December 2021		<u>269,716</u>

## 17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/21 £	31/12/20 £
1,013,356	Ordinary	1	<u>1,013,356</u>	<u>1,013,356</u>

## 18. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2021	6,874,587	774,945	7,649,532
Profit for the year	843,544		843,544
Dividends	(4,000)		(4,000)
Revaluation of Freehold	844,694	-	844,694
Fixed asset revaluation	-	(261,494)	(261,494)
At 31 December 2021	<u>8,558,825</u>	<u>513,451</u>	<u>9,072,276</u>

## 19. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are the directors, together with Mr M Capell and Mr T R Hayes, by way of their shareholdings.

## 20. DEFINED CONTRIBUTION PENSION SCHEME

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £56,319 (2020 - £56,136).

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.