

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
ADMIRAL HARDING LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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ADMIRAL HARDING LIMITED

**Company Information
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS:

R T Blake
D J Harding
N G Harding
J M Lawrence
K L Hawkins

SECRETARY:

R T Blake

REGISTERED OFFICE:

Unit C
The Nova Distribution Centre
Nova Way
Avonmouth
Bristol
BS11 9DJ

REGISTERED NUMBER:

05578326 (England and Wales)

AUDITORS:

Haines Watts Partnership (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

SOLICITORS:

Meade King
11-12 Queen Square
Bristol
BS1 4NT

**Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors' strategic report is presented for the year ended 31 December 2022.

Review of the business and development and performance

The principal activity of the company during the year under review was that of international shipping contractors.

This report aims to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and complex nature of our business.

Turnover for the year to 31 December 2022 was in line with the directors' expectations at £13.944 million (2021 - £9.191 million).

The company's gross profit margin decreased from 31.8% in 2021 to 30.5% in 2022, resulting in a gross profit of £4.253 million (2021 - £2.926 million).

The company's distribution costs and administrative expenses increased from £2.946 million in 2021 to £3.539 million in 2022.

The overall operating profit for the year was £726,935 (2021 - £79,207) and the profit before tax was £717,589 (2021 - £78,773). The net profit for the year of £570,604 has been added to brought forward reserves. We consider these results to be satisfactory and ahead of expectations given the market pressures on margins and turnover in recent years. The company maintained its operations throughout the year.

Net cash generated from operating activities was £328,483 for the year to 31 December 2022 (2021 - negative £20,767). After accounting for cash inflows from investing activities of £936 (2021 - £4,282) and net cash outflows from financing activities of £1,113,213 (2021 - £44,933), the overall net cash outflow for the company for the year was £783,794 (2021 - net cash outflow of £63,150).

As at 31 December 2022 cash and cash equivalents amounted to negative £130,232 (2021 - £653,562).

The directors believe that the company has sufficient working capital to meet its normal trading requirements.

Despite competition, the company has maintained its operating margins and the directors consider the company to be performing well in the first half of the current financial year.

Business environment

The international shipping contracting industry within the United Kingdom continues to be highly competitive and the company continues to manage its position through its pricing policy, range of goods supplied and level of customer service offered.

The directors are confident that the company will continue to offer a high quality service to its customers with the expectation that it will grow its turnover and remain profitable in the short to medium term.

No major changes are expected or other risks anticipated. The directors aim to maintain their current management policies.

Results and dividends

The profit for the period, after taxation, amounted to £570,604 (2021 - £63,803).

The directors do not recommend the payment of a dividend for the year.

Political and charitable donations

During the year the company made various charitable donations totalling £280 (2021 - £370).

**Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal risks and uncertainties

We consider that the principal risks and uncertainties faced by the company are the same as those faced by any company operating in the international shipping contracting industry. These are as follows:

Competition - the company operates in a very competitive environment. Products are kept under constant review to ensure that they meet market demands.

Fluctuations in exchange rates - the company holds foreign currency cash balances in order to mitigate the risks posed by fluctuations in exchange rates in respect of sales and liabilities not denominated in pounds sterling.

Cash flows - the company actively manages cash flows in order to ensure that sufficient funding is available to meet its cash requirements.

Changes in the macroeconomic environment - the directors actively monitor changes in the national and international economic environment and seek to mitigate the effects of risks posed by any such changes.

Brexit - the company continues to hold stocks of certain overseas products, but has not been materially affected by Brexit. The directors continue to closely monitor supply chains both in the UK and from overseas.

Key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, being:

Sales targets and margins

Turnover achieved and the margins for the year were in line with the directors' expectations.

Cash collected and debtor book

Cash collected during the year net of VAT amounted to approximately £13.863 million (2021 - £9.264 million). Trade debtor days have decreased from an average of 57 days for the year to 31 December 2021 to 37 days for the year to 31 December 2022.

Health and safety

The company operates a strict health and safety regime in order to ensure the health, safety, welfare and protection of all persons.

Customer satisfaction

During the course of this financial year the company has endeavoured to maintain its high class service to its customers. It also continues to deliver its total commitment to quality as demonstrated by the quality standard accreditations that are held.

The directors consider that the company has performed well and in line with their expectations for these key performance indicators.

**Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2022**

Future developments

The directors are confident that the company will continue to offer a high quality service to its customers with the expectation that it will grow its turnover and remain profitable in the short to medium term.

ON BEHALF OF THE BOARD:

R T Blake - Director

22 May 2023

**Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of international shipping contractors.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

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.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

R T Blake
D J Harding
N G Harding
J M Lawrence

Other changes in directors holding office are as follows:

K L Hawkins - appointed 7 June 2022

S H Rees ceased to be a director after 31 December 2022 but prior to the date of this report.

GOING CONCERN

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have reviewed and considered relevant information, including the annual budget and future cash flows, in making their assessment. Based on these assessments, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

DISCLOSURE IN THE STRATEGIC REPORT

The Companies Act 2006 (Strategic Report and Directors' Report) regulations 2013 requires a Strategic Report to be prepared. Where mandatory disclosures in the Directors' Report are considered by the directors to be of strategic importance these have been included within the Strategic Report rather than the Directors' Report in accordance with s.414C (11) Companies Act 2006.

**Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2022**

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts Partnership (Bristol) Limited, is deemed to have been reappointed in accordance with Section 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

R T Blake - Director

22 May 2023

Opinion

We have audited the financial statements of Admiral Harding Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of 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 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.

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.

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 six, 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.

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. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operate. We determined that the following laws and regulations were most significant: The Companies Act 2006, UK GAAP, UK corporate tax laws, and the Data Protection Act.

We obtained an understanding of how the company is complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

- o Identifying and assessing the controls management has in place to prevent and detect fraud;
- o Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- o Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- o Assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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
Admiral Harding 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.

Andrew Jordan FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Partnership (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

5 June 2023

Statement of Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
TURNOVER	4	13,944,636	9,191,425
Cost of sales		<u>(9,691,886)</u>	<u>(6,265,089)</u>
GROSS PROFIT		4,252,750	2,926,336
Distribution costs		<u>(1,970,881)</u>	<u>(1,489,729)</u>
Administrative expenses		<u>(1,567,673)</u>	<u>(1,456,093)</u>
		714,196	(19,486)
Other operating income	5	<u>12,739</u>	<u>98,693</u>
OPERATING PROFIT	7	726,935	79,207
Interest receivable and similar income		<u>-</u>	<u>6,832</u>
		726,935	86,039
Interest payable and similar expenses	8	<u>(9,346)</u>	<u>(7,266)</u>
PROFIT BEFORE TAXATION		717,589	78,773
Tax on profit	9	<u>(146,985)</u>	<u>(14,970)</u>
PROFIT FOR THE FINANCIAL YEAR		570,604	63,803
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
FOR THE YEAR		<u>570,604</u>	<u>63,803</u>

The notes form part of these financial statements

Balance Sheet
31 DECEMBER 2022

		2022	2021
	Notes	£	£
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	<u>192,917</u>	<u>169,112</u>
		<u>192,917</u>	<u>169,112</u>
CURRENT ASSETS			
Stocks	14	808,632	881,057
Debtors	15	2,344,266	1,546,680
Cash at bank and in hand		<u>662,958</u>	<u>979,033</u>
		3,815,856	3,406,770
CREDITORS			
Amounts falling due within one year	16	<u>(2,430,714)</u>	<u>(1,714,629)</u>
NET CURRENT ASSETS		<u>1,385,142</u>	<u>1,692,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,578,059	1,861,253
CREDITORS			
Amounts falling due after more than one year	17	(164,020)	(12,816)
PROVISIONS FOR LIABILITIES	22	<u>(39,418)</u>	<u>(18,420)</u>
NET ASSETS		<u>1,374,621</u>	<u>1,830,017</u>
CAPITAL AND RESERVES			
Called up share capital	23	620	1,000
Capital redemption reserve	24	380	-
Retained earnings	24	<u>1,373,621</u>	<u>1,829,017</u>
SHAREHOLDERS' FUNDS		<u>1,374,621</u>	<u>1,830,017</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 22 May 2023 and were signed on its behalf by:

R T Blake - Director

Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2021	1,000	1,765,214	-	1,766,214
Changes in equity				
Profit for the year	-	63,803	-	63,803
Total comprehensive income	-	63,803	-	63,803
Balance at 31 December 2021	1,000	1,829,017	-	1,830,017
Changes in equity				
Profit for the year	-	570,604	-	570,604
Total comprehensive income	-	570,604	-	570,604
Purchase of own shares	(380)	(1,026,000)	380	(1,026,000)
Balance at 31 December 2022	620	1,373,621	380	1,374,621

The notes form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	362,445	141,999
Interest paid		(6,931)	(1,754)
Interest element of hire purchase payments paid		(2,415)	(5,512)
Tax paid		(24,616)	(155,500)
Net cash from operating activities		<u>328,483</u>	<u>(20,767)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(33,659)	(40,085)
Sale of tangible fixed assets		34,595	35,803
Interest received		-	6,832
Net cash from investing activities		<u>936</u>	<u>2,550</u>
Cash flows from financing activities			
Loan repayments in year		(50,000)	(12,500)
Capital advances/(repayments) in year		(37,213)	(32,433)
Purchase of own shares		(1,026,000)	-
Net cash from financing activities		<u>(1,113,213)</u>	<u>(44,933)</u>
Decrease in cash and cash equivalents		<u>(783,794)</u>	<u>(63,150)</u>
Cash and cash equivalents at beginning of year	2	653,562	716,712
Cash and cash equivalents at end of year	2	<u>(130,232)</u>	<u>653,562</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022	2021
	£	£
Profit before taxation	717,589	78,773
Depreciation charges	51,769	52,827
(Profit)/loss on disposal of fixed assets	(15,785)	1,392
Finance costs	9,346	7,266
Finance income	-	(6,832)
	762,919	133,426
Decrease in stocks	72,425	127,165
Increase in trade and other debtors	(797,586)	(139,285)
Increase in trade and other creditors	324,687	20,693
Cash generated from operations	<u>362,445</u>	<u>141,999</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 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	662,958	979,033
Bank overdrafts	(793,190)	(325,471)
	<u>(130,232)</u>	<u>653,562</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	979,033	1,143,628
Bank overdrafts	(325,471)	(426,916)
	<u>653,562</u>	<u>716,712</u>

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	At 1.1.22 £	Cash flow £	Other non-cash changes £	At 31.12.22 £
Net cash				
Cash at bank and in hand	979,033	(316,075)		662,958
Bank overdrafts	<u>(325,471)</u>	<u>(467,719)</u>		<u>(793,190)</u>
	<u>653,562</u>	<u>(783,794)</u>		<u>(130,232)</u>
Debt				
Finance leases	(40,189)	37,213	(27,161)	(63,701)
Debts falling due within 1 year	(237,500)	187,500	-	(50,000)
Debts falling due after 1 year	-	(137,500)	-	(137,500)
	<u>(277,689)</u>	<u>87,213</u>	<u>(27,161)</u>	<u>(251,201)</u>
Total	<u>375,873</u>	<u>(696,581)</u>	<u>(27,161)</u>	<u>(381,433)</u>

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. COMPANY INFORMATION

Admiral Harding 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. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have reviewed and considered relevant information, including the annual budget and future cash flows, in making their assessment. Based on these assessments, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Significant judgements and estimates

In determining the carrying amounts of certain assets and liabilities, the company makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The entities' estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. These include, but are not limited to, depreciation on tangible assets, stock provisions and recoverability of debtors.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and Value Added Tax.

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.

Tangible fixed assets

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

Office equipment	- 33% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance
Plant and machinery	- 20% on cost

Tangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES - continued

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Cash and cash equivalents

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Other financial instruments, which include derivatives, are initially recognised at fair value, i.e. the transaction price. Subsequent measurement at the end of each reporting period shall also be at fair value, with any changes in fair value being recognised in the profit and loss account.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

Hire purchase and leasing commitments

Assets held under finance leases are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest rate method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

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.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES - continued

Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Sale of goods	13,944,636	9,191,425
	<u>13,944,636</u>	<u>9,191,425</u>

The whole of the company's turnover is attributable to its principal activity which has been undertaken solely in the United Kingdom in the current and preceding year.

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Rents received	9,566	4,100
Sundry receipts	3,173	3,310
Government grants	-	91,283
	<u>12,739</u>	<u>98,693</u>

During the year the company did not receive government grants (2021 - £91,283) in respect of the Coronavirus Job Retention Scheme.

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,586,339	1,585,147
Social security costs	161,268	157,220
Other pension costs	31,405	31,617
	<u>1,779,012</u>	<u>1,773,984</u>

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

	2022	2021
Sales and distribution staff	19	19
Administrative staff (including directors)	36	35
	<u>55</u>	<u>54</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Directors' remuneration	348,516	485,967
Directors' pension contributions to money purchase schemes	<u>2,598</u>	<u>4,259</u>
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	<u>3</u>	<u>2</u>
Information regarding the highest paid director is as follows:		
	2022	2021
	£	£
Emoluments etc	124,080	157,025
Pension contributions to money purchase schemes	<u>1,321</u>	<u>-</u>
7. OPERATING PROFIT		
The operating profit is stated after charging/(crediting):		
	2022	2021
	£	£
Hire of plant and machinery	19,400	26,137
Other operating leases	187,533	202,837
Depreciation - owned assets	51,769	52,827
(Profit)/loss on disposal of fixed assets	(15,785)	1,392
Auditors' remuneration	7,250	7,165
Foreign exchange differences	<u>563</u>	<u>1,079</u>
8. INTEREST PAYABLE AND SIMILAR EXPENSES		
	2022	2021
	£	£
Loan interest	6,931	1,754
Hire purchase	<u>2,415</u>	<u>5,512</u>
	<u>9,346</u>	<u>7,266</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. TAXATION

Analysis of the tax charge

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

	2022 £	2021 £
Current tax:		
UK corporation tax	125,987	24,706
Deferred tax	20,998	(9,736)
Tax on profit	<u>146,985</u>	<u>14,970</u>

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	2022 £	2021 £
Profit before tax	<u>717,589</u>	<u>78,773</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	136,342	14,967
Effects of:		
Expenses not deductible for tax purposes	6,653	1,143
Capital allowances in excess of depreciation	(16,918)	-
Depreciation in excess of capital allowances	-	8,596
Adjustments to tax charge in respect of previous periods	(90)	-
Effect of deferred taxation	20,998	(9,736)
Total tax charge	<u>146,985</u>	<u>14,970</u>

10. EMPLOYEE BENEFITS

The amount recognised in profit or loss in relation to defined contribution pension plans was £31,405 (2021 - £31,617).

11. FOREIGN CURRENCY TRANSLATION

Foreign currency exchange differences debited to the profit and loss account during the year were in the sum of £563 (2021 - £1,079).

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 January 2022
and 31 December 2022

26,991

AMORTISATION

At 1 January 2022
and 31 December 2022

26,991

NET BOOK VALUE

At 31 December 2022
At 31 December 2021

-
-

13. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Totals £
COST					
At 1 January 2022	107,647	275,287	374,673	16,820	774,427
Additions	34,501	3,986	33,407	22,490	94,384
Disposals	(3,527)	-	(49,771)	-	(53,298)
At 31 December 2022	<u>138,621</u>	<u>279,273</u>	<u>358,309</u>	<u>39,310</u>	<u>815,513</u>
DEPRECIATION					
At 1 January 2022	101,009	266,912	225,174	12,220	605,315
Charge for year	6,547	3,886	38,936	2,400	51,769
Eliminated on disposal	(3,527)	-	(30,961)	-	(34,488)
At 31 December 2022	<u>104,029</u>	<u>270,798</u>	<u>233,149</u>	<u>14,620</u>	<u>622,596</u>
NET BOOK VALUE					
At 31 December 2022	<u>34,592</u>	<u>8,475</u>	<u>125,160</u>	<u>24,690</u>	<u>192,917</u>
At 31 December 2021	<u>6,638</u>	<u>8,375</u>	<u>149,499</u>	<u>4,600</u>	<u>169,112</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

13. TANGIBLE FIXED ASSETS - continued

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £
At 31 December 2022	<u>22,490</u>	<u>63,848</u>
At 31 December 2021	<u>-</u>	<u>48,940</u>

14. STOCKS

	2022 £	2021 £
Work-in-progress	49,240	48,418
Finished goods	<u>759,392</u>	<u>832,639</u>
	<u>808,632</u>	<u>881,057</u>

Stocks recognised in cost of sales during the year as an expense were in the sum of £9,691,886 (2021 - £6,265,089).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	606,866	414,350
Trade debtors - factored	1,618,476	1,028,134
Discounts reserve	(15,446)	(15,446)
Bad debt provision	(9,342)	(7,620)
Other debtors	-	100
VAT	66,842	39,530
Prepayments and accrued income	<u>76,870</u>	<u>87,632</u>
	<u>2,344,266</u>	<u>1,546,680</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 18)	793,190	325,471
Other loans (see note 18)	50,000	237,500
Hire purchase contracts (see note 19)	37,181	27,373
Trade creditors	1,195,571	929,979
Tax	126,077	24,706
Social security and other taxes	68,609	61,050
Other creditors	420	-
Pension contributions	7,435	7,038
Directors' current accounts	421	416
Accruals and deferred income	151,810	101,096
	<u>2,430,714</u>	<u>1,714,629</u>

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

	2022	2021
	£	£
Other loans (see note 18)	137,500	-
Hire purchase contracts (see note 19)	26,520	12,816
	<u>164,020</u>	<u>12,816</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	793,190	325,471
Other loans	50,000	237,500
	<u>843,190</u>	<u>562,971</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>50,000</u>	-
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>87,500</u>	-

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	37,181	27,373
Between one and five years	<u>26,520</u>	<u>12,816</u>
	<u>63,701</u>	<u>40,189</u>
	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	193,898	117,922
Between one and five years	<u>837,621</u>	<u>37,019</u>
	<u>1,031,519</u>	<u>154,941</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Hire purchase contracts	63,701	40,189
Factoring facility	<u>783,129</u>	<u>319,325</u>
	<u>846,830</u>	<u>359,514</u>

Hire purchase assets are secured against the assets to which they relate.

Included in bank loans and overdrafts is the sum of £783,129 (2021 - £319,325) due under the terms of a factoring facility. This amount is secured by a charge over the company's assets.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	2,200,554	1,419,418
Other debtors	-	100
Cash at bank and in hand	662,958	979,033
	<u>2,863,512</u>	<u>2,398,451</u>
Financial liabilities measured at amortised cost		
Trade creditors	1,195,571	929,979
Other creditors	7,855	7,038
Directors' loan accounts	421	416
Obligations under finance leases	63,701	40,819
Bank overdrafts	793,190	325,471
Other loans	187,500	237,500
	<u>2,248,238</u>	<u>1,541,223</u>

Total factoring charges recognised in the profit and loss account was £41,385 for the year ended 31 December 2022 (2021 - £27,329).

Total hire purchase interest recognised in the profit and loss account in respect of obligations under finance leases for the year ended 31 December 2022 was £2,415 (2021 - £5,512).

22. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	<u>39,418</u>	<u>18,420</u>
		Deferred tax
		£
Balance at 1 January 2022		18,420
Charge to Statement of Comprehensive Income during year		<u>20,998</u>
Balance at 31 December 2022		<u>39,418</u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022 £	2021 £
620	Ordinary	1.00	<u>620</u>	<u>1,000</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

23. CALLED UP SHARE CAPITAL - continued

During the year, the company purchased 380 of its own shares for £1,026,000 from existing shareholders.

24. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2022	1,829,017	-	1,829,017
Profit for the year	570,604		570,604
Purchase of own shares	<u>(1,026,000)</u>	<u>380</u>	<u>(1,025,620)</u>
At 31 December 2022	<u>1,373,621</u>	<u>380</u>	<u>1,374,001</u>

The profit and loss account represents cumulative profits and losses stated net of dividends and other adjustments.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

25. RELATED PARTY DISCLOSURES

N G Harding is also a director of Harding Brothers Retail Limited. During the year the company purchased goods in the normal course of business from Harding Brothers Retail Limited totalling £208 (2021 - £1,748). The company also sold goods to Harding Brothers Retail Limited totalling £23,716 (2021 - £11,525). The price charged was the normal market price in the case of each individual purchase and sale. At the balance sheet date the company was owed £18,979 by Harding Brothers Retail Limited (2021 - £4,902 owed to Harding Brothers Retail Limited).

D J Harding, N G Harding, S H Rees and J M Lawrence are also directors of Harding Marine Services Limited. During the year the company purchased goods in the normal course of business from Harding Marine Services Limited totalling £nil (2021 - £1,296). The company sold goods to Harding Marine Services Limited totalling £nil (2021 - £6,835). The price charged was the normal market price in the case of each individual purchase and sale.

D J Harding, S H Rees and J M Lawrence are also directors of Harding Marine Services (Rotterdam) BV. During the year the company purchased goods in the normal course of business from Harding Marine Services (Rotterdam) BV totalling £236,069 (2021 - £364,558). The company sold goods to Harding Marine Services (Rotterdam) BV totalling £639 (2021 - £6,286). The price charged was the normal market price in the case of each individual purchase and sale. At the balance sheet date the company owed £137,335 to Harding Marine Services (Rotterdam) BV (2021 - £103,741).

26. POST BALANCE SHEET EVENTS

In January 2023, the company took out a loan for the sum of £70,000 which is secured by a debenture against the company's assets.

27. ULTIMATE CONTROLLING PARTY

The company has no controlling party.

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