

FORTOAK ROLLS LIMITED
UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The directors present their report and the financial statements for the year ended 31 August 2022.

Principal activity

The principal activity of the Company during the year was that of the manufacture of paper rolls.

Business review

Profit before tax and exceptional items was £360,424 (2021: £323,816 loss). After exceptional items relating to a covid related stock write-down and the write off of investments, the reported loss after tax is £423,726 (2021: £323,816).

Post year end trading has improved significantly. With greater turnover and improved gross profit percentages the current years accounts are expected to show much improved profitability.

Directors

The directors who served during the year were:

A S Vergopoulos

C A Alford

R C Vergopoulos (resigned 6 May 2022)

Post balance sheet events

Since the year end the directors are pleased to announce that additional funding of £600,000 has been obtained by the issue of 300,000 preference shares and 6,818 ordinary shares. The additional funding has been used to facilitate the growth of the business and the resultant demands on working capital. The directors are pleased to receive equity funding rather than placing a greater reliance upon debt.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 June 2023 and signed on its behalf.

A S Vergopoulos
Director

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

	Continuing trade 2022 £	Exceptional items 2022 £	Total 2022 £	Continuing trade 2021 £	Exceptional items 2021 £	Total 2021 £
Turnover	11,314,529	-	11,314,529	6,641,290	-	6,641,290
Cost of sales	(9,903,221)	-	(9,903,221)	(6,059,105)	-	(6,059,105)
Gross profit	1,411,308	-	1,411,308	582,185	-	582,185
Administrative expenses	(999,933)	-	(999,933)	(854,509)	-	(854,509)
Exceptional items	-	(784,150)	(784,150)	-	-	-
Other operating income	-	-	-	50,481	-	50,481
Operating loss	411,375	(784,150)	(372,775)	(221,843)	-	(221,843)
Interest receivable and similar income	3,125	-	3,125	3,125	-	3,125
Interest payable and similar expenses	(54,076)	-	(54,076)	(105,098)	-	(105,098)
Loss before tax	360,424	(784,150)	(423,726)	(323,816)	-	(323,816)
Tax on loss	(3,200)	-	(3,200)	42,900	-	42,900
Loss for the financial year	357,224	(784,150)	(426,926)	(280,916)	-	(280,916)

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

The notes on pages 6 to 14 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	5	5,410	7,366
Tangible assets	6	87,418	182,156
Investments	7	-	526,676
		<u>92,828</u>	<u>716,198</u>
Current assets			
Stocks		1,090,190	1,315,176
Debtors: amounts falling due after more than one year	8	260,350	257,225
Debtors: amounts falling due within one year	8	4,361,980	2,195,710
Cash at bank and in hand		70,124	188,870
		<u>5,782,644</u>	<u>3,956,981</u>
Creditors: amounts falling due within one year	9	(4,735,258)	(2,971,697)
Net current assets		<u>1,047,386</u>	<u>985,284</u>
Total assets less current liabilities		<u>1,140,214</u>	<u>1,701,482</u>
Creditors: amounts falling due after more than one year	10	(758,458)	(876,000)
Provisions for liabilities			
Deferred tax		-	(16,800)
Net assets		<u>381,756</u>	<u>808,682</u>
Capital and reserves			
Called up share capital		50,000	50,000
Profit and loss account		331,756	758,682
		<u>381,756</u>	<u>808,682</u>

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2023.

A S Vergopoulos
Director

The notes on pages 6 to 14 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2020	50,000	1,039,598	1,089,598
Comprehensive income for the year			
Loss for the year	-	(280,916)	(280,916)
At 1 September 2021	50,000	758,682	808,682
Comprehensive income for the year			
Loss for the year	-	(426,926)	(426,926)
At 31 August 2022	50,000	331,756	381,756

The notes on pages 6 to 14 form part of these financial statements.

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

1. General information

Fortoak Rolls Limited (the Company) is a private company, limited by shares, incorporated and domiciled in England. The address of its registered office is Unit 2, Prologis Business Park, Rowan Way, Harris Hall, Coleshill, United Kingdom, B46 1DS, which is also the address of its principal place of business.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

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

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of fifteen years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

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

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

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

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.18 Exceptional items

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

3. Employees

The average monthly number of employees, including directors, during the year was 17 (2021 - 15).

4. Exceptional items

	2022 £	2021 £
Write down valuation of investments	526,676	-
Write off related company loan	7,474	-
Write off of inventory relating to Covid specific purchases	250,000	-
	<u>784,150</u>	<u>-</u>

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

5. Intangible assets

	Goodwill
	£
Cost	
At 1 September 2021	30,186
At 31 August 2022	<u>30,186</u>
Amortisation	
At 1 September 2021	22,820
Charge for the year on owned assets	<u>1,956</u>
At 31 August 2022	<u>24,776</u>
Net book value	
At 31 August 2022	<u><u>5,410</u></u>
At 31 August 2021	<u><u>7,366</u></u>

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

6. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 September 2021	272,889	87,425	30,248	390,562
Additions	649	-	-	649
At 31 August 2022	273,538	87,425	30,248	391,211
Depreciation				
At 1 September 2021	166,614	18,213	23,578	208,405
Charge for the year on owned assets	67,463	21,856	6,069	95,388
At 31 August 2022	234,077	40,069	29,647	303,793
Net book value				
At 31 August 2022	39,461	47,356	601	87,418
At 31 August 2021	106,275	69,212	6,669	182,156

7. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost			
At 1 September 2021	526,625	51	526,676
Amounts written off	(526,625)	(51)	(526,676)
At 31 August 2022	-	-	-

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

8. Debtors

	2022 £	2021 £
Due after more than one year		
Other debtors	<u>260,350</u>	<u>257,225</u>
	2022 £	2021 £
Due within one year		
Trade debtors	3,702,849	1,826,020
Other debtors	<u>659,131</u>	<u>369,690</u>
	<u>4,361,980</u>	<u>2,195,710</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	10,000	10,000
Trade creditors	596,142	591,374
Amounts owed to group undertakings	40,000	40,000
Corporation tax	2,692	-
Other taxation and social security	1,092,730	374,232
Obligations under finance lease and hire purchase contracts	14,239	12,996
Other creditors	2,758,979	1,925,830
Accruals and deferred income	<u>220,476</u>	<u>17,265</u>
	<u>4,735,258</u>	<u>2,971,697</u>

Secured creditors

Net obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

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

10. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	28,333	38,333
Net obligations under finance leases and hire purchase contracts	49,436	63,675
Other taxation and social security	401,054	305,612
Other creditors	279,635	468,380
	<u>758,458</u>	<u>876,000</u>

Secured creditors

Net obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

11. Transactions with directors

Included in other debtors is £118,537 (2021: £62,989) owed by a director. The loan is unsecured, interest free and repayable on demand.

12. Post balance sheet events

Since the year end the directors are pleased to announce that additional funding of £600,000 has been obtained by the issue of 300,000 preference shares and 6,818 ordinary shares.

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.