Company registration number 05663226 (England and Wales)

LONDON STONE PAVING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

LONDON STONE PAVING LIMITED

COMPANY INFORMATION

Directors	Mr D S Walley	
	Mr M Catrinoi-Cornea	
	Mr S J Walley	
	Mr C R K Durnford	
	Mr G D Walley	
	Mrs D Catrinoi-Cornea	(Appointed 2 February 2022)
Company number	05663226	
Registered office	Berkshire Garden Centre Sutton Lane Langley Berkshire United Kingdom SL3 8AH	
Auditor	BK Plus Audit Limited 2-6 Adventure Place Hanley Stoke on Trent Staffordshire England ST1 3AF	
Bankers	HSBC Bank Plc HR Service Delivery Level 2 Block B Westside London Road Apsley Hemel Hempstead Herts HP3 9TD	

LONDON STONE PAVING LIMITED

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LONDON STONE PAVING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

Our Vision: to be the UK's go to destination when searching for quality materials and products to create and enhance beautiful gardens. Online or instore, our mission is simple; offer the best products at the lowest possible prices and to always put our customers first.

London Stone is a supplier of premium quality Landscape Construction Materials and Outdoor Living Products. Delivering ***Maximum Customer Value*** is at the heart of everything we do.

The business performed well in 2022 with revenue up by 15%, maintaining and building upon the significant growth which was achieved in 2021 throughout the pandemic driven home improvement boom. Profits were somewhat lower than in 2021 as increased costs were largely absorbed by the business in order to maintain the market share won during the pandemic. We anticipate margins to strengthen in 2023 as shipping rates normalise which will result in higher profits overall in the coming years.

Financial performance improved significantly with Sales, Gross Profit and Operating profit all increasing from the previous year.

	2022	***2021***
Sales	***£38.5m***	***£33.4m***
Gross Profit	***£12.5m***	***£12.3m***
Operating Profit	***£3.5m***	***£5.2m***

The supply chain pressures eased during 2022, however shipping costs had a significant negative impact in our overall profit margins. The normalisation of shipping rates at the end of 2022 will lead to higher margins throughout 2023, and combined with our increased market share will deliver improvements moving forward.

Our product range was reviewed during 2022 and we have removed many categories from our product offering, this includes garden furniture, indoor tiles, and outdoor living products. We have also rationalised the remaining categories to make the business highly focused on products which our core customers use regularly. Our product strategy is to stock and supply products where we can add customer value, not to blindly pursue revenue growth, which will improve efficiency and support our key aim of providing maximum customer value.

2023 will see the business implement a new ERP system which will allow us much greater flexibility and control in how we manage and run the business. Our ecommerce offer will be much improved, with improved user experience and functionality for our customers. The new system will drive many process improvements and efficiencies supporting our key aim of providing maximum customer value.

We continue to develop the Lean programme which has driven many improvements throughout the business and continues to do so, via a structured continuous improvement framework and detailed defect analysis. This also empowers our employees to become involved in the development of the business improving employee engagement and motivation.

London Stone's employee engagement programme continues to strengthen. Our employees are integral to the success of the business and are driving our continuous improvement programme which results in improved working practices, working conditions, customer outcomes and much more. The end-result being that we can offer maximum value to our customers and generous pay and conditions to our employees. We have committed to improving our internal employee satisfaction score, which is measured on an annual basis via anonymous employee surveys. Questions are scored out of five and the results below indicate year on year improvements.

	2022	***2021***	***2020***
Satisfaction score	***4.23***	***3.99***	***3.86***

London Stone recognises the impact the business has on the environment and has purchased carbon offsets to cover all emissions generated in relation to our business activities. We have a long term goal to be net zero however, we are faced with the challenge that the necessary technology is not yet available at a cost that is feasible for the business. All our activities are audited annually, and carbon emissions will be reduced over time.

Principal risks and uncertainties

Environmental

The principal risk to the business is economic uncertainty created by the global Coronavirus pandemic and other macro-economic concerns which continue to play out. This also coincides with increases in taxation in the UK and a low growth outlook.

Economic Uncertainty

Demand in our sector is very difficult to predict, particularly from 2022 onwards. In the event of any fall in demand in our industry we are well placed to ride it out as we continue to increase our customer base, geographical reach, and continue to improve customer value.

Currency Risk

London Stone use forward contracts and other financial instruments to hedge our exposure to currency fluctuations.

Industry Related

Repeated imitation of our product and service initiatives by our close competitors and increased competition from low cost online operators.

Close Competitors

Our genuine desire to deliver maximum value to our customers sets us apart from our competitors, although increased revenues and profits are part of our objectives, they are achieved indirectly via our unrelenting focus on customer value.

Online Competitors

We believe our bricks and mortar stores and reputation in the industry makes it difficult for online only operators to compete with our customer offer. It is not our intention to offer goods at the same prices as the lower cost operators. We are not prepared to sell low quality products with poor customer service, as we don't consider this to represent overall customer value.

Opportunities

We will continue to grow our branch network throughout 2023 and beyond. Our product range has been rationalised and will continue to be amended as needed. We will further improve our e-commerce site to support growth but believe the combination of instore/telephone and e-commerce sales is the most effective way to service our customers.

On behalf of the board

Mr D S Walley
Director

31 August 2023

LONDON STONE PAVING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company continued to be that of specialist supplier of natural stone paving and bespoke stone products.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £1,200,000. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D S Walley
Mr M Catrinoi-Cornea
Mr S J Walley
Mr C R K Durnford
Mr G D Walley
Mrs D Catrinoi-Cornea (Appointed 2 February 2022)

Auditor

The auditor, , is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr D S Walley
Director

31 August 2023

LONDON STONE PAVING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Annual Report 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LONDON STONE PAVING LIMITED

Opinion

We have audited the financial statements of London Stone Paving Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 2022 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement, 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 is 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

The auditor's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

Which laws and regulations the auditor identified as being of significance in the context of the entity.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks and irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and reporting to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud, and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding to the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included in the UK Companies Act, pensions legislation, tax legislation and health and safety regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the Financial Statements disclosures and testing to supporting documentation to assess compliance with provisions or relevant laws and regulations described as having a direct effect on the Financial Statements;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustment, assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LONDON STONE PAVING LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BK Plus Audit Ltd

Mr K R Salt, FCCA (Senior Statutory Auditor)
For and on behalf of BK Plus Audit Limited

27 September 2023

Chartered Accountants
Statutory Auditor

2-6 Adventure Place
Hanley
Stoke on Trent
Staffordshire
England
ST1 3AF

LONDON STONE PAVING LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	**3**	38,523,217	33,432,639
Cost of sales		(25,966,784)	(21,112,313)
Gross profit		12,556,433	12,320,326
Distribution costs		(2,756,674)	(1,967,458)
Administrative expenses		(6,397,356)	(5,202,591)
Other operating income		78,509	94,538
Operating profit	**4**	3,480,912	5,244,815
Interest receivable and similar income	**8**	2,033	3,159
Interest payable and similar expenses	**9**	(169,739)	(139,116)
Amounts written off investments	**10**	(403,002)	(1,081,426)
Profit before taxation		2,910,204	4,027,432
Tax on profit	**11**	(773,287)	(835,823)
Profit for the financial year	**28**	2,136,917	3,191,609
Other comprehensive income			
Revaluation of tangible fixed assets		-	12,343
Total comprehensive income for the year		2,136,917	3,203,952

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

LONDON STONE PAVING LIMITED

GROUP AND COMPANY BALANCE SHEETS

AS AT 31 DECEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Fixed assets					
Goodwill	14	218,754	298,300	263,476	-
Other intangible assets	14	485,732	444,279	485,732	444,279
Total intangible assets		704,486	742,579	749,208	444,279
Tangible assets	15	3,277,359	1,977,844	3,277,359	1,977,844
Investments	16	-	403,002	-	695,753
		3,981,845	3,123,425	4,026,567	3,117,876
Current assets					
Stocks	19	7,146,683	5,905,530	7,146,683	5,905,530
Debtors	20	1,416,914	1,493,393	1,410,415	1,484,393
Cash at bank and in hand		3,461,412	4,039,010	3,461,412	4,039,010
		12,025,009	11,437,933	12,018,510	11,428,933
Creditors: amounts falling due within one year	21	(7,320,281)	(7,469,019)	(7,319,781)	(7,466,538)
Net current assets		4,704,728	3,968,914	4,698,729	3,962,395
Total assets less current liabilities		8,686,573	7,092,339	8,725,296	7,080,271
Creditors: amounts falling due after more than one year	22	(1,508,689)	(984,418)	(1,508,689)	(984,418)
Provisions for liabilities					
Deferred tax liability	25	(356,485)	(211,096)	(356,485)	(211,096)
Net assets		6,821,399	5,896,825	6,860,122	5,884,757
Capital and reserves					
Called up share capital	27	75	75	75	75
Revaluation reserve	28	-	12,343	-	12,343
Capital redemption reserve	28	25	25	25	25
Profit and loss reserves	28	6,821,299	5,884,382	6,860,022	5,872,314
Total equity		6,821,399	5,896,825	6,860,122	5,884,757

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,187,708 (2021 - £4,334,312 profit).

GROUP AND COMPANY BALANCE SHEETS (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 31 August 2023 and are signed on its behalf by:

Mr D S Walley
Director

Company Registration No. 05663226

LONDON STONE PAVING LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 January 2021		75	-	25	4,379,446	4,379,546
Year ended 31 December 2021:						
Profit for the year		-	-	-	3,191,609	3,191,609
Other comprehensive income:						
Revaluation of intangible assets		-	12,343	-	-	12,343
Total comprehensive income for the year		-	12,343	-	3,191,609	3,203,952
Dividends	**12**	-	-	-	(1,686,673)	(1,686,673)
Balance at 31 December 2021		75	12,343	25	5,884,382	5,896,825
Year ended 31 December 2022:						
Profit and total comprehensive income for the year		-	-	-	2,136,917	2,136,917
Dividends	**12**	-	-	-	(1,200,000)	(1,200,000)
Other movements		-	(12,343)	-	-	(12,343)
Balance at 31 December 2022		75	-	25	6,821,299	6,821,399

LONDON STONE PAVING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 January 2021		75	-	25	3,224,675	3,224,775
Year ended 31 December 2021:						
Profit for the year		-	-	-	4,334,312	4,334,312
Other comprehensive income:						
Revaluation of intangible assets		-	12,343	-	-	12,343
Total comprehensive income for the year		-	12,343	-	4,334,312	4,346,655
Dividends	**12**	-	-	-	(1,686,673)	(1,686,673)
Balance at 31 December 2021		75	12,343	25	5,872,314	5,884,757
Year ended 31 December 2022:						
Profit and total comprehensive income for the year		-	-	-	2,187,708	2,187,708
Dividends	**12**	-	-	-	(1,200,000)	(1,200,000)
Other movements		-	(12,343)	-	-	(12,343)
Balance at 31 December 2022		75	-	25	6,860,022	6,860,122

LONDON STONE PAVING LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	31		3,067,281		4,464,684
Interest paid			(169,739)		(139,116)
Income taxes paid			(705,989)		(777,706)
Net cash inflow from operating activities			2,191,553		3,547,862
Investing activities					
Purchase of intangible assets		(88,764)		(337,162)	
Purchase of tangible fixed assets		(1,080,791)		(391,160)	
Proceeds from disposal of tangible fixed assets		60,000		-	
Purchase of associates		-		(279,002)	
Proceeds from disposal of associates		-		(124,000)	
Interest received		2,033		3,159	
Net cash used in investing activities			(1,107,522)		(1,128,165)
Financing activities					
Repayment of borrowings		-		9,016	
Repayment of bank loans		96,907		424,770	
Payment of finance leases obligations		(310,902)		(523,285)	
Dividends paid to equity shareholders		(1,200,000)		(1,686,673)	
Net cash used in financing activities			(1,413,995)		(1,776,172)
Net (decrease)/increase in cash and cash equivalents			(329,964)		643,525
Cash and cash equivalents at beginning of year			4,039,010		3,612,814
Effect of foreign exchange rates			(247,634)		(217,329)
Cash and cash equivalents at end of year			3,461,412		4,039,010

LONDON STONE PAVING LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30		2,943,464		4,122,151
Interest paid			(169,739)		(139,116)
Income taxes paid			(705,989)		(713,543)
Net cash inflow from operating activities			2,067,736		3,269,492
Investing activities					
Purchase of intangible assets		(88,764)		(337,162)	
Purchase of tangible fixed assets		(1,080,791)		(747,005)	
Proceeds from disposal of tangible fixed assets		60,000		-	
Purchase of associates		-		(279,002)	
Proceeds from disposal of associates		-		(124,000)	
Interest received		2,033		3,156	
Dividends received		-		1,081,426	
Net cash used in investing activities			(1,107,522)		(402,587)
Financing activities					
Repayment of borrowings		-		9,016	
Repayment of bank loans		96,907		424,770	
Payment of finance leases obligations		(310,902)		(167,439)	
Dividends paid to equity shareholders		(1,200,000)		(1,686,673)	
Net cash used in financing activities			(1,413,995)		(1,420,326)
Net (decrease)/increase in cash and cash equivalents			(453,781)		1,446,579
Cash and cash equivalents at beginning of year			4,039,010		2,809,760
Effect of foreign exchange rates			(123,817)		(217,329)
Cash and cash equivalents at end of year			3,461,412		4,039,010

1 Accounting policies

Company information
London Stone Paving Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of London Stone Paving Limited and all of its subsidiaries.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Business combinations
In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation
The consolidated group financial statements consist of the financial statements of the parent company London Stone Paving Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

1 Accounting policies **(Continued)**

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line basis
Cryptocurrency	fair value under the revaluation model

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10 to 20 years on a straight line basis
Leasehold improvements	10% and 20% straight line basis
Plant and equipment	20% straight line basis
Fixtures and fittings	20% straight line basis
Computers	33% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

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

1 Accounting policies **(Continued)**

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1 Accounting policies **(Continued)**

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2022	2021
	£	£
Other revenue		
Interest income	2,033	3,159
Grants received	64,193	90,481

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(405,773)	(229,703)
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(123,817)	(255,594)
Government grants	(64,193)	(90,481)
Depreciation of owned tangible fixed assets	421,828	280,440
Depreciation of tangible fixed assets held under finance leases	166,822	152,008
(Profit)/loss on disposal of tangible fixed assets	(6,167)	1,938
Amortisation of intangible assets	128,026	125,343
Impairment of intangible assets	178,793	-
Operating lease charges	1,338,053	1,051,534

5 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	9,000	8,500

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production	55	55	52	52
Distribution	39	32	39	32
Administration	29	27	29	27
Total	123	114	120	111

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	4,871,314	4,169,412	4,871,314	4,142,750
Social security costs	522,935	408,714	522,935	406,407
Pension costs	168,202	137,137	168,202	136,212
	5,562,451	4,715,263	5,562,451	4,685,369

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	217,274	170,082
Company pension contributions to defined contribution schemes	8,637	6,473
	225,911	176,555

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	95,969	73,029

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	1,387	36
Other interest income	646	3,123
Total income	2,033	3,159

	2022	2021
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	1,387	36

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	43,808	43,723
Interest on invoice finance arrangements	83,140	61,846
	126,948	105,569
Other finance costs:		
Interest on finance leases and hire purchase contracts	33,592	29,422
Other interest	9,199	4,125
Total finance costs	169,739	139,116

10 Amounts written off investments

	2022	2021
	£	£
Other gains and losses	(403,002)	(1,081,426)

11 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	485,375	716,573
Adjustments in respect of prior periods	142,524	-
Total current tax	627,899	716,573
Deferred tax		
Origination and reversal of timing differences	145,388	119,250
Total tax charge	773,287	835,823

11 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	2,910,204	4,027,432
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	552,939	765,212
Tax effect of expenses that are not deductible in determining taxable profit	165,004	84,743
Tax effect of income not taxable in determining taxable profit	-	205,471
Adjustments in respect of financial assets	(309,120)	(196,145)
Other non-reversing timing differences	76,571	-
Under/(over) provided in prior years	142,505	-
Deferred tax adjustments in respect of prior years	145,388	119,250
Payments on account	-	(142,708)
Taxation charge	773,287	835,823

12 Dividends

Recognised as distributions to equity holders:	2022 Per share £	2021 Per share £	2022 Total £	2021 Total £
Ordinary A Shares				
Interim paid	16.00	222.26	400,000	555,655
Ordinary B Shares				
Interim paid	16.00	222.75	400,000	556,870
Ordinary C Shares				
Interim paid	16.00	229.66	400,000	574,148
Total dividends				
Interim dividends paid			1,200,000	1,686,673

13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £	2021 £
In respect of:			
Intangible assets	14	178,793	-
Investments in subsidiaries	16	-	1,081,426
Investments in associates	16	403,002	-
Recognised in:			
Administrative expenses		178,793	-
Amounts written off investments		403,002	1,081,426

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

14 Intangible fixed assets

Group	Goodwill £	Software £	Cryptocurrency £	Total £
Cost				
At 1 January 2022	397,732	414,650	312,343	1,124,725
Additions - internally developed	-	281,068	-	281,068
Revaluation	-	-	(12,343)	(12,343)
At 31 December 2022	397,732	695,718	300,000	1,393,450
Amortisation and impairment				
At 1 January 2022	99,432	282,713	-	382,145
Amortisation charged for the year	79,546	48,480	-	128,026
Impairment losses	-	-	178,793	178,793
At 31 December 2022	178,978	331,193	178,793	688,964
Carrying amount				
At 31 December 2022	218,754	364,525	121,207	704,486
At 31 December 2021	298,300	131,936	312,343	742,579

14 Intangible fixed assets **(Continued)**

Company	Goodwill	Software	Cryptocurrency	Total
	£	£	£	£
Cost				
At 1 January 2022	-	414,650	312,343	726,993
Additions - internally developed	-	281,068	-	281,068
Revaluation	-	-	(12,343)	(12,343)
Transfers	292,751	-	-	292,751
At 31 December 2022	292,751	695,718	300,000	1,288,469
Amortisation and impairment				
At 1 January 2022	-	282,713	-	282,713
Amortisation charged for the year	29,275	48,480	-	77,755
Impairment losses	-	-	178,793	178,793
At 31 December 2022	29,275	331,193	178,793	539,261
Carrying amount				
At 31 December 2022	263,476	364,525	121,207	749,208
At 31 December 2021	-	131,936	312,343	444,279

15 Tangible fixed assets

Group	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2022	152,377	1,646,321	1,133,099	187,492	129,488	1,300,677	4,549,454
Additions	3,636	971,203	187,163	9,764	18,176	752,612	1,942,554
Disposals	-	(399)	-	-	-	(207,913)	(208,312)
At 31 December 2022	156,013	2,617,125	1,320,262	197,256	147,664	1,845,376	6,283,696
Depreciation and impairment							
At 1 January 2022	6,657	874,053	854,422	145,834	101,626	587,143	2,569,735
Depreciation charged in the year	8,675	229,525	104,403	24,484	17,630	203,933	588,650
Eliminated in respect of disposals	-	-	-	-	-	(152,048)	(152,048)
At 31 December 2022	15,332	1,103,578	958,825	170,318	119,256	639,028	3,006,337
Carrying amount							
At 31 December 2022	140,681	1,513,547	361,437	26,938	28,408	1,206,348	3,277,359
At 31 December 2021	145,720	772,267	278,676	41,658	27,862	711,661	1,977,844

15 Tangible fixed assets **(Continued)**

Company	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2022	152,377	1,646,321	1,133,099	187,492	129,488	1,300,677	4,549,454
Additions	3,636	971,203	187,163	9,764	18,176	752,612	1,942,554
Disposals	-	(399)	-	-	-	(207,913)	(208,312)
At 31 December 2022	156,013	2,617,125	1,320,262	197,256	147,664	1,845,376	6,283,696
Depreciation and impairment							
At 1 January 2022	6,657	874,053	854,422	145,834	101,626	587,143	2,569,735
Depreciation charged in the year	8,675	229,525	104,403	24,484	17,630	203,933	588,650
Eliminated in respect of disposals	-	-	-	-	-	(152,048)	(152,048)
At 31 December 2022	15,332	1,103,578	958,825	170,318	119,256	639,028	3,006,337
Carrying amount							
At 31 December 2022	140,681	1,513,547	361,437	26,938	28,408	1,206,348	3,277,359
At 31 December 2021	145,720	772,267	278,676	41,658	27,862	711,661	1,977,844

15 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Plant and equipment	136,804	78,028	136,804	78,028
Motor vehicles	901,005	610,745	901,005	610,745
	1,037,809	688,773	1,037,809	688,773

16 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	17	-	-	-	292,751
Investments in associates	18	-	279,002	-	279,002
Loans to associates	18	-	124,000	-	124,000
		-	403,002	-	695,753

Movements in fixed asset investments

Group	Shares in associates £	Loans to associates £	Total £
Cost or valuation			
At 1 January 2022	279,002	124,000	403,002
Disposals	(279,002)	(124,000)	(403,002)
At 31 December 2022	-	-	-
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	279,002	124,000	403,002

16 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in subsidiaries and associates	Loans to associates	Total
	£	£	£
Cost or valuation			
At 1 January 2022	571,753	124,000	695,753
Reduction in investment	(292,751)	-	(292,751)
Disposals	(279,002)	(124,000)	(403,002)
At 31 December 2022	-	-	-
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	571,753	124,000	695,753

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Chelmer Valley Brick Co. Limited	Berkshire Garden Centre, Sutton Lane, Langley, Berkshire, SL3 8AH	Ordinary	100.00

18 Associates

Details of associates at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	% Held Indirect
Form Plants Limited	Berkshire Garden Centre, Sutton Lane, Langley, Berkshire, SL3 8AH	Ordinary	-	50

19 Stocks

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Raw materials and consumables	7,146,683	5,905,530	7,146,683	5,905,530

20 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	969,512	1,076,416	969,513	1,076,416
Corporation tax recoverable	-	10,380	-	10,380
Amounts owed by group undertakings	6,500	-	-	-
Other debtors	77,422	245,226	77,422	236,226
Prepayments and accrued income	363,480	161,371	363,480	161,371
	1,416,914	1,493,393	1,410,415	1,484,393

21 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	23	3,749,890	3,793,315	3,749,890	3,793,315
Obligations under finance leases	24	567,849	208,623	567,849	208,623
Other borrowings	23	50,000	50,000	50,000	50,000
Trade creditors		1,378,531	1,481,245	1,378,531	1,481,245
Corporation tax payable		485,375	573,846	485,375	573,865
Other taxation and social security		722,624	836,600	722,624	836,600
Other creditors		234,339	491,894	234,339	491,894
Accruals and deferred income		131,673	33,496	131,173	30,996
		7,320,281	7,469,019	7,319,781	7,466,538

22 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	23	725,559	585,227	725,559	585,227
Obligations under finance leases	24	783,130	399,191	783,130	399,191
		1,508,689	984,418	1,508,689	984,418

23 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	4,475,449	4,378,542	4,475,449	4,378,542
Other loans	50,000	50,000	50,000	50,000
	4,525,449	4,428,542	4,525,449	4,428,542
Payable within one year	3,799,890	3,843,315	3,799,890	3,843,315
Payable after one year	725,559	585,227	725,559	585,227

The bank loans and overdrafts are secured by a fixed and floating charge over the company's assets.

24 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	608,132	229,687	608,132	229,687
In two to five years	826,193	422,794	826,193	422,794
	1,434,325	652,481	1,434,325	652,481
Less: future finance charges	(83,346)	(44,667)	(83,346)	(44,667)
	1,350,979	607,814	1,350,979	607,814

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

25 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	356,485	211,096

25 Deferred taxation (Continued)

Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	356,485	211,096

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 January 2022	211,096	211,096
Charge to profit or loss	145,389	145,389
Liability at 31 December 2022	356,485	356,485

26 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	168,202	137,137

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

27 Share capital

Group and company Ordinary share capital Issued and fully paid	2022 Number	2021 Number	2022 £	2021 £
Ordinary A Shares of 1p each	2,500	2,500	25	25
Ordinary B Shares of 1p each	2,500	2,500	25	25
Ordinary C Shares of 1p each	2,500	2,500	25	25
	7,500	7,500	75	75

28 Reserves

Profit and loss reserves

Retained earnings include all current and prior period profit and losses. All are considered distributable.

29 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	1,614,810	1,363,471	1,614,810	1,363,471
Between two and five years	2,781,930	3,588,535	2,781,930	3,588,535
	4,396,740	4,952,006	4,396,740	4,952,006

30 Cash generated from operations - company

	2022 £	2021 £
Profit for the year after tax	2,187,708	4,334,312
Adjustments for:		
Taxation charged	773,268	835,823
Finance costs	169,739	139,116
Investment income	(2,033)	(1,084,582)
Gain on disposal of tangible fixed assets	(6,167)	-
Amortisation and impairment of intangible assets	256,548	45,797
Depreciation and impairment of tangible fixed assets	588,650	432,448
Foreign exchange gains on cash equivalents	123,817	229,672
Other gains and losses	403,002	1,081,426
Movements in working capital:		
Increase in stocks	(1,240,598)	(2,895,171)
Decrease/(increase) in debtors	63,598	(690,650)
(Decrease)/increase in creditors	(374,068)	1,693,960
Cash generated from operations	2,943,464	4,122,151

31 Cash generated from group operations

	2022	2021
	£	£
Profit for the year after tax	2,136,917	3,191,609
Adjustments for:		
Taxation charged	773,287	835,823
Finance costs	169,739	139,116
Investment income	(2,033)	(3,159)
(Gain)/loss on disposal of tangible fixed assets	(6,167)	1,938
Amortisation and impairment of intangible assets	306,819	125,343
Depreciation and impairment of tangible fixed assets	588,650	432,448
Foreign exchange gains on cash equivalents	247,634	229,672
Other gains and losses	403,002	1,081,426
Movements in working capital:		
Increase in stocks	(1,240,598)	(2,456,682)
Decrease/(increase) in debtors	66,099	(489,077)
(Decrease)/increase in creditors	(376,068)	1,376,227
Cash generated from operations	3,067,281	4,464,684

32 Analysis of changes in net debt - group

	2022
	£
Opening net funds/(debt)	
Cash and cash equivalents	4,039,010
Loans	(4,428,542)
Obligations under finance leases	(607,814)
	(997,346)
Changes in net debt arising from:	
Cash flows of the entity	(115,969)
New finance leases entered into	(1,054,067)
Changes in market value and exchange rates	(247,634)
Closing net funds/(debt) as analysed below	(2,415,016)
Closing net funds/(debt)	
Cash and cash equivalents	3,461,412
Loans	(4,525,449)
Obligations under finance leases	(1,350,979)
	(2,415,016)

33 Analysis of changes in net debt - company

	2022 £
Opening net funds/(debt)	
Cash and cash equivalents	4,039,010
Loans	(4,428,542)
Obligations under finance leases	(607,814)
	(997,346)
Changes in net debt arising from:	
Cash flows of the entity	(239,786)
New finance leases entered into	(1,054,067)
Changes in market value and exchange rates	(123,817)
Closing net funds/(debt) as analysed below	(2,415,016)

Closing net funds/(debt)	
Cash and cash equivalents	3,461,412
Loans	(4,525,449)
Obligations under finance leases	(1,350,979)
	(2,415,016)