

Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 31 March 2023
for
Plant-Ex Ingredients Ltd

Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2023

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Plant-Ex Ingredients Ltd

Company Information
for the Year Ended 31 March 2023

DIRECTOR:	G O R Drewett
SECRETARY:	A Drewett
REGISTERED OFFICE:	Unit 7d Access 18 Avonmouth Bristol BS11 8HT
REGISTERED NUMBER:	06444123 (England and Wales)
SENIOR STATUTORY AUDITOR:	Lisa White FCCA
AUDITORS:	Dunkley's Statutory Auditor Chartered Accountants Woodlands Grange Woodlands Lane Bradley Stoke Bristol BS32 4JY

Group Strategic Report
for the Year Ended 31 March 2023

The director presents his strategic report of the company and the group for the year ended 31 March 2023.

REVIEW OF BUSINESS

During the year ended 31st March 2023 Plant-Ex Ingredients ('the Company') generated turnover of £17,586,326. This is a 21.9% increase from 31st March 2022 (£14,430,656) and a 21.6% increase from year ended 31st March 2021 (£11,868,426).

The continued growth, exemplified above, is largely down to the Company's focus upon delivering a transparent and technically competent service to their increasing client base. The global marketplace for Natural Colours, Flavours and Extracts has consolidated dramatically over the past few years which means that customers have less and less choice - Plant-Ex are well placed due to their continuous investment in technical and manufacturing facilities.

Whilst top-line growth has been evident, the Company has managed to maintain stable margins. gross profit margin for year ended 31st March 2023 was 33%, which has decreased slightly in comparison to year ended 31st March 2022 (35%) and year ended 31st March 2021 (34%).

This continues down to net profit margin which was 7% for year ended 31st March 2023, 9% for year ended 31st March 2022, 10% for year ended 31st March 2021.

A firm grip of cost control has enabled these margins to remain both consistent and competitive. Other contributory factors are a continuous improvement programme in terms of production efficiencies to increase yields and maintaining a streamlined organogram focused upon Food Safety, Efficiency and Service.

Our on-going strategy is to carefully navigate the geopolitical impacts upon supply chain, and focus upon core customers and products.

We believe this can be achieved by careful management, maintaining a dynamic and enthusiastic corporate culture and expanding upon our growing positions with Multi-National Customers.

PRINCIPAL RISKS AND UNCERTAINTIES

Despite keeping revenue on an upward trajectory the Company remains faced with risks & uncertainties, such as residual shortages in raw materials due to lack of planting during Covid pulling through the supply chain, the commencement of hostilities with the Russian invasion of the Ukraine and a reduced labour supply as a consequence of Brexit/Covid retirements.

The impact of these risks and uncertainties could be significant but, the Company manages these risks by following an energetic purchasing strategy with Primary, Secondary and Tertiary approved suppliers to enable continuity and wherever possible geographical spread.

ON BEHALF OF THE BOARD:

G O R Drewett - Director

22 December 2023

Report of the Director
for the Year Ended 31 March 2023

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture of natural food ingredients.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2023 will be £ 301,000 .

DIRECTOR

G O R Drewett held office during the whole of the period from 1 April 2022 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

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

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group 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 director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Dunkley's, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G O R Drewett - Director

22 December 2023

**Report of the Independent Auditors to the Members of
Plant-Ex Ingredients Ltd**

Opinion

We have audited the financial statements of Plant-Ex Ingredients Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 31 March 2023 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Members of
Plant-Ex Ingredients Ltd**

Responsibilities of director

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

In preparing the financial statements, the director is responsible for assessing the group's and 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of
Plant-Ex Ingredients Ltd**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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 including the design of the company's remuneration policies, bonus levels and performance targets;
- any matters we identified, having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, and revenue recognition.

We also obtained an understanding of the legal and regulatory framework that the company 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.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; 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, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Report of the Independent Auditors to the Members of
Plant-Ex Ingredients Ltd**

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.

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.

Lisa White FCCA (Senior Statutory Auditor)
for and on behalf of Dunkley's
Statutory Auditor
Chartered Accountants
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

22 December 2023

Consolidated Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
TURNOVER		17,857,730	14,351,478
Cost of sales		<u>11,775,889</u>	<u>9,241,267</u>
GROSS PROFIT		6,081,841	5,110,211
Administrative expenses		<u>4,968,732</u>	<u>3,896,374</u>
		1,113,109	1,213,837
Other operating income		<u>181,006</u>	<u>57,757</u>
OPERATING PROFIT	4	<u>1,294,115</u>	<u>1,271,594</u>
Income from interest in associated undertakings		<u>80,302</u>	<u>(23,200)</u>
		1,374,417	1,248,394
Interest payable and similar expenses	5	<u>24,117</u>	<u>25,754</u>
PROFIT BEFORE TAXATION		1,350,300	1,222,640
Tax on profit	6	<u>235,092</u>	<u>148,436</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,115,208</u>	<u>1,074,204</u>
Profit attributable to:			
Owners of the parent		<u>1,115,208</u>	<u>1,074,204</u>

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
PROFIT FOR THE YEAR		1,115,208	1,074,204
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,115,208</u>	<u>1,074,204</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,115,208</u>	<u>1,074,204</u>

Consolidated Balance Sheet

31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Intangible assets	9		2,250		11,250
Tangible assets	10		1,285,982		1,186,393
Investments	11		<u>311,250</u>		<u>230,948</u>
			1,599,482		1,428,591
CURRENT ASSETS					
Stocks	12	3,260,674		2,798,344	
Debtors	13	3,829,816		3,094,123	
Cash at bank		<u>194,407</u>		<u>145,518</u>	
		7,284,897		6,037,985	
CREDITORS					
Amounts falling due within one year	14	<u>4,785,222</u>		<u>4,118,527</u>	
NET CURRENT ASSETS			<u>2,499,675</u>		<u>1,919,458</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,099,157		3,348,049
CREDITORS					
Amounts falling due after more than one year	15		(66,610)		(142,050)
PROVISIONS FOR LIABILITIES	19		<u>(159,325)</u>		<u>(146,985)</u>
NET ASSETS			<u>3,873,222</u>		<u>3,059,014</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>3,873,122</u>		<u>3,058,914</u>
SHAREHOLDERS' FUNDS			<u>3,873,222</u>		<u>3,059,014</u>

The financial statements were approved by the director and authorised for issue on 22 December 2023 and were signed by:

G O R Drewett - Director

Company Balance Sheet**31 March 2023**

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Intangible assets	9		2,250		11,250
Tangible assets	10		1,285,982		1,186,393
Investments	11		<u>354,995</u>		<u>354,995</u>
			1,643,227		1,552,638
CURRENT ASSETS					
Stocks	12	2,987,644		2,661,728	
Debtors	13	4,039,830		3,332,193	
Cash at bank		<u>125,103</u>		<u>21,551</u>	
		7,152,577		6,015,472	
CREDITORS					
Amounts falling due within one year	14	<u>4,669,439</u>		<u>4,055,428</u>	
NET CURRENT ASSETS			<u>2,483,138</u>		<u>1,960,044</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,126,365		3,512,682
CREDITORS					
Amounts falling due after more than one year	15		(66,610)		(142,050)
PROVISIONS FOR LIABILITIES	19		<u>(159,325)</u>		<u>(146,985)</u>
NET ASSETS			<u>3,900,430</u>		<u>3,223,647</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>3,900,330</u>		<u>3,223,547</u>
SHAREHOLDERS' FUNDS			<u>3,900,430</u>		<u>3,223,647</u>
Company's profit for the financial year			<u>977,783</u>		<u>1,138,951</u>

The financial statements were approved by the director and authorised for issue on 22 December 2023 and were signed by:

G O R Drewett - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	2,497,272	2,497,372
Changes in equity			
Dividends	-	(512,562)	(512,562)
Total comprehensive income	-	1,074,204	1,074,204
Balance at 31 March 2022	100	3,058,914	3,059,014
Changes in equity			
Dividends	-	(301,000)	(301,000)
Total comprehensive income	-	1,115,208	1,115,208
Balance at 31 March 2023	100	3,873,122	3,873,222

Company Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	2,597,158	2,597,258
Changes in equity			
Dividends	-	(512,562)	(512,562)
Total comprehensive income	-	1,138,951	1,138,951
Balance at 31 March 2022	100	3,223,547	3,223,647
Changes in equity			
Dividends	-	(301,000)	(301,000)
Total comprehensive income	-	977,783	977,783
Balance at 31 March 2023	100	3,900,330	3,900,430

Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	1,095,996	548,875
Interest paid		(5,153)	(5,527)
Interest element of hire purchase payments paid		(18,964)	(20,227)
Tax paid		(148,568)	(137,472)
Net cash from operating activities		<u>923,311</u>	<u>385,649</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(294,982)	(393,683)
Sale of tangible fixed assets		<u>10,301</u>	<u>172</u>
Net cash from investing activities		<u>(284,681)</u>	<u>(393,511)</u>
Cash flows from financing activities			
Capital repayments in year		(78,185)	(212,426)
Amount introduced by directors		-	243,445
Equity dividends paid		<u>(301,000)</u>	<u>(512,562)</u>
Net cash from financing activities		<u>(379,185)</u>	<u>(481,543)</u>
Increase/(decrease) in cash and cash equivalents		<u>259,445</u>	<u>(489,405)</u>
Cash and cash equivalents at beginning of year	2	<u>(1,579,336)</u>	<u>(1,089,931)</u>
Cash and cash equivalents at end of year	2	<u><u>(1,319,891)</u></u>	<u><u>(1,579,336)</u></u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023**

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

	31.3.23	31.3.22
	£	£
Profit before taxation	1,350,300	1,222,640
Depreciation charges	198,836	217,399
Profit on disposal of fixed assets	(3,376)	(172)
Finance costs	24,117	25,754
Finance income	(80,302)	23,200
	<u>1,489,575</u>	<u>1,488,821</u>
Increase in stocks	(462,330)	(615,544)
Increase in trade and other debtors	(746,554)	(783,097)
Increase in trade and other creditors	<u>815,305</u>	<u>458,695</u>
Cash generated from operations	<u><u>1,095,996</u></u>	<u><u>548,875</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	194,407	145,518
Bank overdrafts	<u>(1,514,298)</u>	<u>(1,724,854)</u>
	<u><u>(1,319,891)</u></u>	<u><u>(1,579,336)</u></u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	145,518	20,850
Bank overdrafts	<u>(1,724,854)</u>	<u>(1,110,781)</u>
	<u><u>(1,579,336)</u></u>	<u><u>(1,089,931)</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank	145,518	48,889	194,407
Bank overdrafts	<u>(1,724,854)</u>	<u>210,556</u>	<u>(1,514,298)</u>
	<u>(1,579,336)</u>	<u>259,445</u>	<u>(1,319,891)</u>
Debt			
Finance leases	(209,706)	78,185	(131,521)
Debts falling due within 1 year	(10,000)	-	(10,000)
Debts falling due after 1 year	<u>(32,050)</u>	<u>9,493</u>	<u>(22,557)</u>
	<u>(251,756)</u>	<u>87,678</u>	<u>(164,078)</u>
Total	<u><u>(1,831,092)</u></u>	<u><u>347,123</u></u>	<u><u>(1,483,969)</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2023

1. STATUTORY INFORMATION

Plant-Ex Ingredients Ltd 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 General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Associates

Associates are accounted for under the equity method. Under the equity method of accounting, an associate is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2015, is being amortised evenly over its estimated useful life of seven years.

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.

Long leasehold	- over remaining period of lease
Plant and machinery	- 33.33% on cost and 5% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33.33% on cost

Stocks

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

3. EMPLOYEES AND DIRECTORS

	31.3.23	31.3.22
	£	£
Wages and salaries	2,351,642	1,990,219
Social security costs	222,194	177,149
Other pension costs	50,938	34,387
	<u>2,624,774</u>	<u>2,201,755</u>

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

	31.3.23	31.3.22
Directors	1	1
Employees	75	100
	<u>76</u>	<u>101</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 2 (2022 - 28).

	31.3.23	31.3.22
	£	£
Director's remuneration	<u>13,134</u>	<u>9,824</u>

4. OPERATING PROFIT

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

	31.3.23	31.3.22
	£	£
Other operating leases	54,549	50,653
Depreciation - owned assets	188,468	210,741
Profit on disposal of fixed assets	(3,376)	(172)
Goodwill amortisation	9,000	9,000
Auditors' remuneration	8,250	8,000
Auditors' remuneration for non audit work	1,980	1,500
Foreign exchange differences	<u>51,261</u>	<u>39,212</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank interest	866	113
Bank loan interest	4,287	5,414
Hire purchase	<u>18,964</u>	<u>20,227</u>
	<u>24,117</u>	<u>25,754</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

6. TAXATION

Analysis of the tax charge

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

	31.3.23 £	31.3.22 £
Current tax:		
UK corporation tax	222,752	138,049
Deferred tax	12,340	10,387
Tax on profit	<u>235,092</u>	<u>148,436</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	31.3.23 £	31.3.22 £
Interim	<u>301,000</u>	<u>512,562</u>

9. INTANGIBLE FIXED ASSETS

Group

COST

At 1 April 2022
and 31 March 2023

AMORTISATION

At 1 April 2022
Amortisation for year
At 31 March 2023

NET BOOK VALUE

At 31 March 2023
At 31 March 2022

Goodwill
£

70,000

58,750

9,000

67,750

2,250

11,250

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

9. INTANGIBLE FIXED ASSETS - continued

Company

Goodwill
£

COST

At 1 April 2022
and 31 March 2023

70,000

AMORTISATION

At 1 April 2022
Amortisation for year
At 31 March 2023

58,750

9,000

67,750

NET BOOK VALUE

At 31 March 2023
At 31 March 2022

2,250

11,250

10. TANGIBLE FIXED ASSETS

Group

Long
leasehold
£

Plant and
machinery
£

Fixtures
and
fittings
£

COST

At 1 April 2022
Additions
Disposals
At 31 March 2023

430,768

133,724

-

564,492

1,304,036

76,377

(30,898)

1,349,515

274,084

56,977

-

331,061

DEPRECIATION

At 1 April 2022
Charge for year
Eliminated on disposal
At 31 March 2023

209,930

39,231

-

249,161

489,052

94,928

(23,973)

560,007

141,881

43,807

-

185,688

NET BOOK VALUE

At 31 March 2023
At 31 March 2022

315,331

220,838

789,508

814,984

145,373

132,203

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

10. **TANGIBLE FIXED ASSETS - continued**

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2022	15,000	22,927	2,046,815
Additions	26,775	1,129	294,982
Disposals	-	-	(30,898)
At 31 March 2023	41,775	24,056	2,310,899
DEPRECIATION			
At 1 April 2022	6,095	13,464	860,422
Charge for year	6,919	3,583	188,468
Eliminated on disposal	-	-	(23,973)
At 31 March 2023	13,014	17,047	1,024,917
NET BOOK VALUE			
At 31 March 2023	28,761	7,009	1,285,982
At 31 March 2022	8,905	9,463	1,186,393

Company

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2022	430,768	1,304,036	274,084
Additions	133,724	76,377	56,977
Disposals	-	(30,898)	-
At 31 March 2023	564,492	1,349,515	331,061
DEPRECIATION			
At 1 April 2022	209,930	489,052	141,881
Charge for year	39,231	94,928	43,807
Eliminated on disposal	-	(23,973)	-
At 31 March 2023	249,161	560,007	185,688
NET BOOK VALUE			
At 31 March 2023	315,331	789,508	145,373
At 31 March 2022	220,838	814,984	132,203

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

10. TANGIBLE FIXED ASSETS - continued

Company

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2022	15,000	22,927	2,046,815
Additions	26,775	1,129	294,982
Disposals	-	-	(30,898)
At 31 March 2023	<u>41,775</u>	<u>24,056</u>	<u>2,310,899</u>
DEPRECIATION			
At 1 April 2022	6,095	13,464	860,422
Charge for year	6,919	3,583	188,468
Eliminated on disposal	-	-	(23,973)
At 31 March 2023	<u>13,014</u>	<u>17,047</u>	<u>1,024,917</u>
NET BOOK VALUE			
At 31 March 2023	<u>28,761</u>	<u>7,009</u>	<u>1,285,982</u>
At 31 March 2022	<u>8,905</u>	<u>9,463</u>	<u>1,186,393</u>

11. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 April 2022	230,948
Additions	80,302
At 31 March 2023	<u>311,250</u>
NET BOOK VALUE	
At 31 March 2023	<u>311,250</u>
At 31 March 2022	<u>230,948</u>

Company

	Unlisted investments £
COST	
At 1 April 2022 and 31 March 2023	<u>354,995</u>
NET BOOK VALUE	
At 31 March 2023	<u>354,995</u>
At 31 March 2022	<u>354,995</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

12. STOCKS

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Stocks	<u>3,260,674</u>	<u>2,798,344</u>	<u>2,987,644</u>	<u>2,661,728</u>

13. DEBTORS

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,656,169	2,841,291	3,158,853	2,494,784
Amounts owed by group undertakings	-	10,861	747,307	726,162
Other debtors	36,628	126,020	10,537	7,995
Prepayments	<u>124,860</u>	<u>104,437</u>	<u>123,133</u>	<u>103,252</u>
	<u>3,817,657</u>	<u>3,082,609</u>	<u>4,039,830</u>	<u>3,332,193</u>
Amounts falling due after more than one year:				
Other debtors	<u>12,159</u>	<u>11,514</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>3,829,816</u>	<u>3,094,123</u>	<u>4,039,830</u>	<u>3,332,193</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,524,298	1,734,854	1,524,298	1,734,854
Hire purchase contracts (see note 17)	87,468	99,706	87,468	99,706
Trade creditors	2,489,004	1,863,668	2,373,221	1,863,667
Tax	212,144	137,960	212,144	137,960
Social security and other taxes	48,512	42,407	48,512	42,407
VAT	225,035	120,125	225,035	120,125
Other creditors	27,582	91,132	27,582	28,034
Accruals and deferred income	<u>171,179</u>	<u>28,675</u>	<u>171,179</u>	<u>28,675</u>
	<u>4,785,222</u>	<u>4,118,527</u>	<u>4,669,439</u>	<u>4,055,428</u>

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

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Bank loans (see note 16)	22,557	32,050	22,557	32,050
Hire purchase contracts (see note 17)	<u>44,053</u>	<u>110,000</u>	<u>44,053</u>	<u>110,000</u>
	<u>66,610</u>	<u>142,050</u>	<u>66,610</u>	<u>142,050</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,514,298	1,724,854	1,514,298	1,724,854
Bank loans	10,000	10,000	10,000	10,000
	<u>1,524,298</u>	<u>1,734,854</u>	<u>1,524,298</u>	<u>1,734,854</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>22,557</u>	<u>32,050</u>	<u>22,557</u>	<u>32,050</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.3.23	31.3.22
	£	£
Net obligations repayable:		
Within one year	87,468	99,706
Between one and five years	<u>44,053</u>	<u>110,000</u>
	<u>131,521</u>	<u>209,706</u>

Company

	Hire purchase contracts	
	31.3.23	31.3.22
	£	£
Net obligations repayable:		
Within one year	87,468	99,706
Between one and five years	<u>44,053</u>	<u>110,000</u>
	<u>131,521</u>	<u>209,706</u>

Group

	Non-cancellable operating leases	
	31.3.23	31.3.22
	£	£
Within one year	389,700	389,700
Between one and five years	1,562,721	1,562,721
In more than five years	<u>2,306,174</u>	<u>2,695,874</u>
	<u>4,258,595</u>	<u>4,648,295</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

17. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	31.3.23	31.3.22
	£	£
Within one year	389,700	389,700
Between one and five years	1,562,721	1,562,721
In more than five years	2,306,174	2,695,874
	<u>4,258,595</u>	<u>4,648,295</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	31.3.23	31.3.22
	£	£
Bank loans	32,557	42,050
Bank borrowing	91,266	102,086
Invoice financing	1,422,760	1,493,750
	<u>1,546,583</u>	<u>1,637,886</u>

The invoice financing is secured by a fixed and floating charge over the company's assets.

Bank borrowings are secured by a debenture dated 1 October 2012.

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned.

Bank borrowings and obligations under hire purchase contracts are guaranteed by the director.

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Deferred tax	<u>159,325</u>	<u>146,985</u>	<u>159,325</u>	<u>146,985</u>
Group				
				Deferred tax
				£
Balance at 1 April 2022				146,985
Provided during year				12,340
Balance at 31 March 2023				<u>159,325</u>
Company				
				Deferred tax
				£
Balance at 1 April 2022				146,985
Provided during year				12,340
Balance at 31 March 2023				<u>159,325</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23	31.3.22
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

21. RESERVES

Group

Retained
earnings
£

At 1 April 2022	3,058,914
Profit for the year	1,115,208
Dividends	(301,000)
At 31 March 2023	<u>3,873,122</u>

Company

Retained
earnings
£

At 1 April 2022	3,223,547
Profit for the year	977,783
Dividends	(301,000)
At 31 March 2023	<u>3,900,330</u>

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