

Waxman Holdings Limited

**Directors' report and financial
statements**

Registered number 434657

Year ended 31 May 2021



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent Auditor's Report to the Members of Waxman Holdings Limited	4
Profit and loss account	7
Statement of comprehensive income	7
Balance sheet	8
Statement of Changes in Equity	9
Notes	11

Directors' report

The directors present their directors' report and financial statements for the year ended 31 May 2021.

Principal activities

The principal activity of the company is property management.

Business review and future developments

The income of the company principally arose from property holding and investments.

The company has maintained a consistent level of rental income in the current financial year with a slight decrease to £235,213 (2020: £237,230).

At the year end, the Directors assessed the valuation of the Company's investment properties, as set out in note 10. This review resulted in a revised valuation of £3.5 million, with a net gain of £1.12 million (Please see note 6) recognised through the profit and loss account in respect of these investment properties. In respect of this gain, an additional deferred taxation liability amounting to £280,000 has been recognised within provisions for liabilities and charges, resulting in a net gain in the year, after deferred tax, on the revaluation of these investment properties of £840,000. This gain of £840,000 is the main reason for the overall profit after tax in the year of £766,831 (2020: Loss after tax £48,570 in the year) after the operating losses of £76,346 (2020: £67,865 loss).

Covid-19

The Company has largely been unaffected by Covid-19 during the financial year. Whilst there was a further lockdown in the United Kingdom on the 5th November 2020, which extended into 2021 the tenants of the Company continued to pay their rental invoices. Notwithstanding this, the Company will continue to monitor and review this situation in the future and respond accordingly to any UK Government measures which may be introduced in the future to combat the spread of Covid-19.

Dividends

The company declared to pay an interim dividend of £1.7391 per share (2020: £nil) in respect of all shareholders of its ordinary shares totalling £250,000 (2020: £nil).

The company does not recommend the payment of a final dividend (2020: £nil).

Directors

The directors who held office during the year were as follows:

LG Waxman
RD Waxman
SD Waxman
AP Waxman
JM Pape

The company made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Non-Adjusting Post Balance Sheet Event

Subsequent to the year end, on the 22nd November 2021 Knight Frank LLP, were engaged by the Directors of the Company to perform an external valuation of its investment property portfolio. This valuation was undertaken in accordance with the current editions of RICS valuations – Global Standards, which incorporate the International Valuation Standards, and RICS UK National Supplement.

The overall valuation of these investment properties as at 22nd November 2021 was £3.75 million, which represents an increase in their valuation of £250,000 from the year end valuation of £3.5 million.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

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

By order of the board

SM John

SM John
Secretary

Grove Mills
Elland
West Yorkshire
HX5 9DZ

22nd February 2022

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Waxman Holdings Limited

Opinion

We have audited the financial statements of Waxman Holdings Limited (the 'company') for the year ended 31 May 2021 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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 the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in respect of management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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 an auditor's report 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.

RSM UK Audit LLP

ANDREW ALLCHIN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
Fifth Floor
29 Wellington Street
Leeds
LS1 4DL

Date 22 February 2022

Profit and loss account
for the year ended 31 May 2021

	<i>Note</i>	2021 £	2020 £
Turnover	<i>1</i>	235,213	237,230
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		235,213	237,230
Administrative expenses		(331,074)	(314,211)
Other operating income	<i>5</i>	19,515	9,116
		<hr/>	<hr/>
Operating loss		(76,346)	(67,865)
Gain on investment property	<i>6</i>	1,120,000	-
Interest receivable and similar income	<i>7</i>	2,912	16,717
		<hr/>	<hr/>
Profit/(loss) before taxation	<i>2</i>	1,046,566	(51,148)
Tax on profit/(loss)	<i>8</i>	(279,735)	2,578
		<hr/>	<hr/>
Profit/(loss) for the financial year		<u>766,831</u>	<u>(48,570)</u>

Statement of comprehensive income
for the year ended 31 May 2021

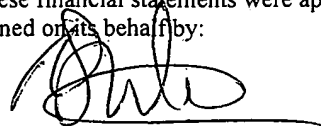
	2021 £	2020 £
Profit/(loss) for the year	766,831	(48,570)
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	<u>766,831</u>	<u>(48,570)</u>

The notes on pages 11 to 19 form an integral part of the financial statements.

Balance sheet
at 31 May 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	9	55,716	58,686
Investment properties	10	3,500,000	2,380,000
		<u>3,555,716</u>	<u>2,438,686</u>
Current assets			
Debtors	11	34,435	59,598
Cash at bank and in hand	12	2,202,219	2,482,720
		<u>2,236,654</u>	<u>2,542,318</u>
Creditors: amounts falling due within one year	13	(98,729)	(83,929)
Net current assets		<u>2,137,925</u>	<u>2,458,389</u>
Total assets less current liabilities		<u>5,693,641</u>	<u>4,897,075</u>
Provision for liabilities and charges	14	(336,322)	(56,587)
Net assets		<u>5,357,319</u>	<u>4,840,488</u>
Capital and reserves			
Called up share capital	15	143,748	143,748
Share premium account		28,846	28,846
Revaluation reserve		353,525	353,525
Capital reserve		209,200	209,200
Capital redemption reserve		39,012	39,012
Profit and loss account		4,582,988	4,066,157
Shareholders' funds		<u>5,357,319</u>	<u>4,840,488</u>

These financial statements were approved by the board of directors on 22nd February 2022 and were signed on its behalf by:


RD Waxman
Director

The notes on pages 11 to 19 form an integral part of the financial statements.

Statement of Changes in Equity
for the year ended 31 May 2021

	Called up share capital	Share premium account	Revaluation reserve	Capital reserve	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
Balance at 31 May 2019	143,748	28,846	353,525	209,200	39,012	4,114,727	4,889,058
Total comprehensive income for the period							
Loss	-	-	-	-	-	(48,570)	(48,570)
Total comprehensive income for the period	-	-	-	-	-	(48,570)	(48,570)
Transactions with owners, recorded directly in equity							
Dividends	-	-	-	-	-	-	-
Total contributions and distributions to owners	-	-	-	-	-	-	-
Balance at 31 May 2020	143,748	28,846	353,525	209,200	39,012	4,066,157	4,840,488

The notes on pages 11 to 19 form an integral part of the financial statements.

Statement of Changes in Equity (continued)
for the year ended 31 May 2021

	Called up share capital	Share premium account	Revaluation reserve	Capital reserve	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
Balance at 31 May 2020	143,748	28,846	353,525	209,200	39,012	4,066,157	4,840,488
Total comprehensive income for the period							
Profit	-	-	-	-	-	766,831	766,831
Total comprehensive income for the period	-	-	-	-	-	766,831	766,831
Transactions with owners, recorded directly in equity							
Dividends	-	-	-	-	-	(250,000)	(250,000)
Total contributions and distributions to owners	-	-	-	-	-	(250,000)	(250,000)
Balance at 31 May 2021	143,748	28,846	353,525	209,200	39,012	4,582,988	5,357,319

The notes on pages 11 to 19 form an integral part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Waxman Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK and whose registered office is Grove Mills, Elland, West Yorkshire, HX5 9DZ.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. Monetary amounts in these financial statements are rounded to the nearest £1 except where otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of investment properties.

1.1 Measurement convention

The financial statements are prepared under the historical cost basis except for investment properties which are stated at their fair value.

1.2 Going concern

The Company has prepared financial forecasts which indicate that it can meet its financial commitments when they fall due and that it will be a going concern for the next twelve months from the date of the signing of these financial statements. In terms of Covid-19, the Company has also reviewed its financial position with regards to any further trading restrictions imposed by the Government and is confident it can withstand any financial impact given its prudent financial business model. Therefore, the directors have concluded that the entity has adequate resources to continue in operational existence for a period of at least one year from the date of authorisation of the financial statements.

1.3 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.5 Turnover

Turnover consists of rental income. Rental income is recognised in the profit and loss account on a straight line basis over the total lease period, or if the lease breaks to the first break.

Notes (continued)

1 Accounting policies (continued)

1.6 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments

- Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.7 Tangible fixed assets

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	-	25% on cost
Fixtures and fittings	-	15% and 33% on cost
Plant and machinery	-	4% and 25% on cost

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Investment properties measured at fair value and their deferred tax is measured using tax rates based on the revalued gain over historical cost.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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.

Notes (continued)

1 Accounting policies (continued)

1.9 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical expenses and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no significant estimates and assumptions that the directors consider have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The directors do not consider there to be any significant areas of judgement critical to the financial statements apart from the valuation of its investment properties. However, as set out in note 10 these are based on external valuations from Chartered Surveyors which are then reviewed by the Directors of the Company.

2 Expenses and auditors remuneration

Auditor's remuneration

	2021 £	2020 £
Audit of these financial statements	6,010	5,500
Amounts receivable by the company auditors and associates in respect of:		
- Taxation compliance services	3,350	300
	<u>5,778</u>	<u>7,398</u>
Depreciation charged		
	<u>5,778</u>	<u>7,398</u>

3 Remuneration of directors

	2021 £	2020 £
Total remuneration excluding pension contributions	196,119	184,275
Company contributions to money purchase pension scheme	2,243	1,724
	<u>198,362</u>	<u>185,999</u>
The emoluments of the highest paid director were as follows:		
	2021 £	2020 £
Total remuneration excluding pension contributions	68,870	59,163
	<u>68,870</u>	<u>59,163</u>

Retirement benefits are accruing to 2 (2020: 2) directors under money purchase pension schemes.

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Office and management	5	6
Site staff	1	1
	<u>6</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£	£
Wages and salaries	216,596	210,754
Social security costs	26,702	24,940
Other pension costs (see note 16)	2,702	6,175
	<u>246,000</u>	<u>241,869</u>

The total remuneration of those considered to be the key management personnel of the Company, was £50,100 (2020: £66,686) including employers national insurance £6,075 (2020: £7,477).

5 Other operating income

	2021	2020
	£	£
Solar Panel Feed in Tariff income	<u>19,515</u>	<u>9,116</u>

6 Net gain on investment property

	2021	2020
	£	£
Net gain on investment property measured through profit and loss account (See Note 10)	<u>1,120,000</u>	<u>-</u>

7 Other interest receivable and similar income

	2021	2020
	£	£
Bank and short term deposits	<u>2,912</u>	<u>16,717</u>

Notes (continued)

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2021 £	2020 £
<i>Current tax</i>		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Total current tax	-	-
Deferred tax (see note 14)		
Origination of timing differences	261,865	(9,539)
The effect of the rate change on opening balance	17,870	6,961
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total deferred tax charge/(credit)	279,735	(2,578)
	<hr/>	<hr/>
Tax charge/(credit) on profit on ordinary activities	279,735	(2,578)
	<hr/>	<hr/>

	2021			2020		
	Current tax £	Deferred tax £	Total tax £	Current tax £	Deferred tax £	Total tax £
Recognised in Profit and loss account	-	279,735	279,735	-	(2,578)	(2,578)
Recognised in other comprehensive income	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total tax	-	279,735	279,735	-	(2,578)	(2,578)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Reconciliation of effective tax rate

	2021 £	2020 £
Profit/(loss) for the year	766,831	(48,570)
Total tax charge/(credit)	279,735	(2,578)
	<hr/>	<hr/>
Profit/(loss) excluding taxation	1,046,566	(51,148)
Tax using the UK corporation tax rate of 19% (2020: 19%)	198,848	(9,718)
Fixed asset differences	-	73
Expenses not deductible for tax purposes	170	107
Remeasurement of deferred tax for changes in tax rates	80,717	-
Adjust opening deferred tax to average rate	-	6,960
	<hr/>	<hr/>
Total tax charge / (credit) included in profit or loss	279,735	(2,578)
	<hr/>	<hr/>

Notes (continued)

9 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of year	231,640	133,880	11,123	376,643
Additions	2,808	-	-	2,808
Disposals	-	-	(10,900)	(10,900)
At end of year	234,448	133,880	223	368,551
<i>Depreciation</i>				
At beginning of year	173,683	133,151	11,123	317,957
Charge for year	5,206	572	-	5,778
Disposals	-	-	(10,900)	(10,900)
At end of year	178,889	133,723	223	312,835
<i>Net book value</i>				
At 31 May 2021	55,559	157	-	55,716
At 31 May 2020	57,957	729	-	58,686

10 Investment properties

	2021 £	2020 £
At the beginning of the year	2,380,000	2,380,000
Net gain measured through profit and loss account	1,120,000	-
	3,500,000	2,380,000

The directors have reviewed the valuation of the investment properties at the end of the current financial year and are of the opinion that their market value for the above properties was £3.5 million, representing a net gain as recognised in the profit and loss account of £1.12 million (Please see note 6).

The Directors consider this valuation to be appropriate valuation for its investment properties. In addition to this, subsequent to the year end, the Directors obtained an external valuation of these investment properties, as set out in note 19, which helps support their assessment of a £3.5 million valuation as at 31 May 2021.

The value of the revalued investment properties as determined according to the historical cost accounting rules is £1,519,482 (2020: £1,519,482).

Notes (continued)

11 Debtors

	2021 £	2020 £
Trade debtors	223	-
Other debtors	15,446	43,924
Prepayments and accrued income	18,766	15,674
	<u>34,435</u>	<u>59,598</u>

12 Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,202,219	2,482,720

Included in cash at bank and in hand is an amount of £991,566 (2020: £1,140,528) held on a '32' day notice deposit account and an amount of £1,142,915 (2020: £1,141,068) held on a '95' day notice deposit account.

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Short term loans	15,399	3,258
Trade creditors	6,010	158
Other taxes and social security	18,230	21,835
Other creditors	31,446	36,269
Accruals and deferred income	27,644	22,409
	<u>98,729</u>	<u>83,929</u>

Notes (continued)

14 Provisions for liabilities

	Deferred taxation £
At beginning of year	56,587
Charge to the profit and loss account (see note 8)	279,735
At end of year	336,322

The elements of deferred taxation are as follows:

	2021 £	2020 £
Timing differences	10,353	7,664
Short term timing differences	(49)	(27)
Arising on revaluation of investment properties	355,705	57,536
Losses and other deductions	(29,687)	(8,586)
	336,322	56,587

15 Called up share capital

	2021 £	2020 £
<i>Allotted, called up and fully paid</i>		
58,843 Ordinary shares of £1 each	58,843	58,843
28,301 "A" Ordinary shares of £1 each	28,301	28,301
56,604 "B" ordinary shares of £1 each	56,604	56,604
	143,748	143,748

The Ordinary shares, the "A" Ordinary shares and the "B" Ordinary shares rank *pari passu*, including for any dividends or the return of capital in the event of liquidation or capital reduction, in all respects apart from as set out below:

- The "B" Ordinary shares have no entitlement to receive notice of and to attend, speak or vote at general meetings of the company;
- The "A" Ordinary shares (as a class) at any general meetings of the Company shall have votes equal to 59.06 per cent of the total votes capable of being cast and the Ordinary shares (as a class) shall have votes of not more than 40.94 per cent of the total votes capable of being cast.

Dividends

The company declared to pay an interim dividend of £1.7391 per share (2020: £nil) in respect of all shareholders of its ordinary shares totalling £250,000 (2020: £nil).

The company does not recommend the payment of a final dividend (2020: £nil).

Notes (continued)

16 Pension scheme

The company operates a defined contribution scheme. The defined contribution scheme is operated for the company's staff and for staff employed by the group headed by Waxman Group Limited. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year amounted to £2,702 (2020: £6,175).

17 Related party transactions

The company traded with the trading subsidiaries of Waxman Group Holdings Limited, the total value of such sales transactions being £nil (2020: £833) and such purchase transactions £nil (2020: £374). During the year the company paid management fees of £30,300 (2020: £17,550) to Waxman Group Limited. Mr RD Waxman, a director and shareholder of Waxman Holdings Limited, is a director of these companies and also has also an interest in these companies.

Included in other debtors and accrued income are amounts due of £3,683 (2020: £9,967) from Waxman Fibres Limited, £9,784 (2020: £29,861) from Waxman Ceramics Limited and £1,456 (2020: £4,096) from Waxman Energy Limited. Included in other creditors is an amount of £5,972 (2020: £15,565) due to Waxman International Limited, and £6,137 (2020: £11,597) due to Waxman Group Limited. Mr RD Waxman is a director and shareholder of all these companies.

Included in short term loans are amounts of £15,399 (2020: £3,258) owed to Mrs LG Waxman. Mrs LG Waxman is a director and Shareholder of the Company and received no interest on her loan to the company.

18 Financial instruments

The carrying amounts of the company's financial instruments at 31 May were:

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	29,396	53,091
Total	29,396	53,091
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	80,499	62,094
Total	80,499	62,094

19 Non-Adjusting Post Balance Sheet Event

Subsequent to the year end, on the 22nd November 2021 Knight Frank LLP, were engaged by the Directors of the Company to perform an external valuation of its investment property portfolio. This valuation was undertaken in accordance with the current editions of RICS valuations – Global Standards, which incorporate the International Valuation Standards, and RICS UK National Supplement.

The overall valuation of these investment properties as at 22nd November 2021 was £3.75 million, which represents an increase in the valuation of £250,000 from the year end valuation of £3.5 million.