

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
Greenwood Group Limited**

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for the Year Ended 31 December 2022**

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Greenwood Group Limited
Company Information
for the Year Ended 31 December 2022

DIRECTORS:

G Devenish
J G Devenish

REGISTERED OFFICE:

Fresh Acre Nurseries
Yapton Lane
Yapton
Arundel
West Sussex
BN18 0AS

REGISTERED NUMBER:

10136546 (England and Wales)

AUDITORS:

The Barnbrook Sinclair Partnership LLP
Chartered Accountants
Statutory Auditor
Chancery House
30 St Johns Road
Woking
Surrey
GU21 7SA

**Strategic Report
for the Year Ended 31 December 2022**

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

REVIEW OF BUSINESS

The Board aims to present a review of the development and performance of the company during the year under review and its position at the year end. This review is consistent with the size and nature of the company and is written in the context of risks and uncertainties it faces.

During the period under review, the directors are pleased to report an increase of 30% in sales over the previous year.

The company considers that its key performance indicators are those that communicate the financial performance and strength of the company, primarily turnover, gross profit and gross profit margin. The company saw continued sales growth with overall sales in 2022 increasing from £10.8m to £14m. The company's gross profit increased from £5.6m to £7m.

The directors are of the opinion that further analysis using Key Performance Indicators is not necessary for an understanding of the development, performance or position of the company.

The directors aim to maintain the company's existing management policies which have resulted in the company's successful period of trading. These policies include the intention to grow sales and maintain control over costs.

The directors consider that the results for the period to be satisfactory and are confident that the company will continue to trade profitably in the future. The continuing profitability has left the company in a sound financial position at the end of the year and is in line with the company's expectations.

The directors consider that the company is in a good position to take advantage of any profitable opportunities which may arise in the future, including the enhancement of its production and distribution facilities.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the company and the nature of its trading strategy are subject to a number of risks. The company operates a thorough risk assessment and management process which involves a formal review of all the risks identified and introducing processes to monitor and mitigate each risk, where possible.

Cost inflation and supply chain

The company continues to have a strong supply chain system, which allows it to negotiate better purchasing terms and work with suppliers to improve supply chain efficiency. However, the company remains exposed to periods of cost inflation and continually assesses any risks identified with the aim of mitigating the threats these may have on the company's operations and profitability.

Principal financial instruments

The company's principal financial instruments comprise bank balances, inventories, trade debtors, trade creditors and hire purchase finance. The main purpose of these instruments is to provide funds for the company's operations. Their existence exposes the group to a number of financial risks, which have been considered and are managed as follows:

Operational risk

Operational risk is the risk of a direct or indirect loss resulting from the inadequacies or failures of processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the company maintains a system of comprehensive policies and a control framework which is designed to provide a sound and well-controlled operational environment.

Liquidity risk

Liquidity risk is the risk that the company will have insufficient resources to meet its financial liabilities as they fall due. The company's strategy to managing liquidity risk is to ensure that the company has sufficient funds to meet all its potential liabilities as they fall due.

**Strategic Report
for the Year Ended 31 December 2022**

Interest rate risk

Interest rate risk is the risk that the financial performance of the company will be adversely affected by adverse fluctuations on interest rates being charged to the company on its financial instruments. The interest rate risk is managed by using short term agreements with fixed low interest rates. This is deemed sufficient to mitigate this risk.

Credit risk

The company has a significant and diverse customer base, ranging from large contractors to individual operations. This, combined with undertaking stringent credit checks and the implementation of further safeguards, where necessary, minimises credit risk.

Currency risk

Currency risk is the risk that the financial performance of the company will be adversely affected by adverse fluctuations in foreign currencies used by the company. The company has minimal exposure to foreign currency risk.

The directors review the principal risks and uncertainties facing the company on a regular basis and ensure systems and policies are continuously updated to reflect any changes, they work in an efficient manner to minimise those risks and help achieve the company's objectives.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out above. After making enquiries, the directors have an expectation that the company's net current assets as at 31 December 2022 of £4m are more than sufficient to provide adequate resources to continue in operational existence for the foreseeable future.

The directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

ON BEHALF OF THE BOARD:

G Devenish - Director

26 September 2023

**Report of the Directors
for the Year Ended 31 December 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of wholesale plant nursery.

DIVIDENDS

Interim dividends of £244,344 (2021: £300,000) were paid in the year. The directors recommend that no final dividend be paid.

DIRECTORS

G Devenish has held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

J G Devenish - appointed 13 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, The Barnbrook Sinclair Partnership LLP, are deemed to be reappointed as auditors and have indicated their willingness to continue in office.

ON BEHALF OF THE BOARD:

G Devenish - Director

26 September 2023

Report of the Independent Auditors to the Members of Greenwood Group Limited

Opinion

We have audited the financial statements of Greenwood Group Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Greenwood Group Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework that the company operates in, focussing 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 include the Companies Act and tax legislation. In addition we considered the provisions of other laws and regulations that do not have an effect on the financial statements but compliance with which may be fundamental to the company's ability to incur or to avoid a material penalty, including the company's operating licences and environmental regulations.

Our procedures in response to the risks identified included reviewing the financial statements disclosures and testing supporting documentation to assess compliance with the provisions of relevant laws and regulations considered to have a direct effect in the financial statements, enquiring of management concerning actual or potential litigation and claims, performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, reading minutes of meetings of those charged with governance, reviewing correspondence with relevant regulatory authorities and 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 audit risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Greenwood Group Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Carpenter (Senior Statutory Auditor)
for and on behalf of The Barnbrook Sinclair Partnership LLP
Chartered Accountants
Statutory Auditor
Chancery House
30 St Johns Road
Woking
Surrey
GU21 7SA

26 September 2023

Greenwood Group Limited (Registered number: 10136546)

**Statement of Income and
Retained Earnings
for the Year Ended 31 December 2022**

	Notes	31/12/22 £	31/12/21 £
REVENUE	4	13,992,866	10,847,273
Cost of sales		<u>(7,036,515)</u>	<u>(5,278,176)</u>
GROSS PROFIT		6,956,351	5,569,097
Administrative expenses		<u>(5,502,257)</u>	<u>(3,900,907)</u>
		1,454,094	1,668,190
Other operating income		<u>35,049</u>	<u>7,667</u>
OPERATING PROFIT	6	1,489,143	1,675,857
Interest receivable and similar income		<u>45,572</u>	<u>-</u>
		1,534,715	1,675,857
Interest payable and similar expenses	7	<u>(81,908)</u>	<u>(39,619)</u>
PROFIT BEFORE TAXATION		1,452,807	1,636,238
Tax on profit	8	<u>(298,534)</u>	<u>(348,025)</u>
PROFIT FOR THE FINANCIAL YEAR		1,154,273	1,288,213
Retained earnings at beginning of year		3,641,202	2,652,989
Dividends	9	<u>(244,344)</u>	<u>(300,000)</u>
RETAINED EARNINGS AT END OF YEAR		<u><u>4,551,131</u></u>	<u><u>3,641,202</u></u>

The notes form part of these financial statements

Greenwood Group Limited (Registered number: 10136546)

**Statement of Financial Position
31 December 2022**

	Notes	31/12/22 £	31/12/21 £
FIXED ASSETS			
Intangible assets	10	-	18,203
Property, plant and equipment	11	<u>1,962,314</u>	<u>1,632,974</u>
		<u>1,962,314</u>	<u>1,651,177</u>
CURRENT ASSETS			
Inventories	12	2,274,338	1,926,744
Debtors	13	5,646,744	4,333,814
Cash at bank and in hand		<u>155,832</u>	<u>345,317</u>
		8,076,914	6,605,875
CREDITORS			
Amounts falling due within one year	14	<u>(4,078,288)</u>	<u>(3,224,347)</u>
NET CURRENT ASSETS		<u>3,998,626</u>	<u>3,381,528</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,960,940	5,032,705
CREDITORS			
Amounts falling due after more than one year	15	(1,203,085)	(1,223,349)
PROVISIONS FOR LIABILITIES	19	<u>(206,424)</u>	<u>(167,854)</u>
NET ASSETS		<u>4,551,431</u>	<u>3,641,502</u>
CAPITAL AND RESERVES			
Called up share capital	20	300	300
Retained earnings	21	<u>4,551,131</u>	<u>3,641,202</u>
SHAREHOLDERS' FUNDS		<u>4,551,431</u>	<u>3,641,502</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2023 and were signed on its behalf by:

G Devenish - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

1. STATUTORY INFORMATION

Greenwood Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Turnover

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

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of five 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.

Development costs are being amortised evenly over their estimated useful life of four years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of inventories

Inventories are stated at the lower of cost and net realisable value. Estimates are made in respect of determining the net realisable value of inventories and so the amount of impairment losses. The directors have assessed the net realisable value of the company's inventories having regard to the age of the stock, the number of individual items held and the level of recent sales of stock lines. However the assessment of net realisable value is inherently subjective as it is made on the basis on previous sale activity which may in future not prove to be accurate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. **REVENUE**

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

The company's turnover is made up of one class of business and all within the United Kingdom.

5. **EMPLOYEES AND DIRECTORS**

	31/12/22	31/12/21
	£	£
Wages and salaries	3,103,701	2,215,760
Social security costs	288,298	192,882
Other pension costs	67,076	43,465
	<u>3,459,075</u>	<u>2,452,107</u>

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

	31/12/22	31/12/21
Production department	67	64
Dispatch	10	13
Sales and Office	21	14
Management	5	5
Transport	10	7
	<u>113</u>	<u>103</u>

	31/12/22	31/12/21
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

6. **OPERATING PROFIT**

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

	31/12/22	31/12/21
	£	£
Hire of plant and machinery	12,838	11,086
Depreciation - owned assets	113,852	94,660
Depreciation - assets on hire purchase contracts	169,649	105,517
Profit on disposal of fixed assets	(26,327)	-
Goodwill amortisation	16,428	49,286
Development costs amortisation	1,775	887
Auditors' remuneration	15,100	16,250
Foreign exchange differences	28,089	(53,522)
Operating lease rentals	<u>248,229</u>	<u>253,654</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31/12/22	31/12/21
	£	£
Loan	51,101	23,562
Hire purchase	<u>30,807</u>	<u>16,057</u>
	<u>81,908</u>	<u>39,619</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

8. TAXATION

Analysis of the tax charge

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

	31/12/22 £	31/12/21 £
Current tax:		
UK corporation tax	260,000	231,916
Deferred tax	38,534	116,109
Tax on profit	<u>298,534</u>	<u>348,025</u>

UK corporation tax has been charged at 19% .

Reconciliation of total tax charge included in profit and loss

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

	31/12/22 £	31/12/21 £
Profit before tax	<u>1,452,807</u>	<u>1,636,238</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	276,033	310,885
Effects of:		
Expenses not deductible for tax purposes	4,152	18,988
Effect of different tax rates	-	40,285
Other adjustments	18,349	(4,305)
Group relief	-	(17,828)
Total tax charge	<u>298,534</u>	<u>348,025</u>

9. DIVIDENDS

	31/12/22 £	31/12/21 £
Ordinary Shares shares of 1 each		
Interim	<u>244,344</u>	<u>300,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

10. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Totals £
Cost			
At 1 January 2022 and 31 December 2022	<u>255,000</u>	<u>3,549</u>	<u>258,549</u>
Amortisation			
At 1 January 2022	238,572	1,774	240,346
Amortisation for year	<u>16,428</u>	<u>1,775</u>	<u>18,203</u>
At 31 December 2022	<u>255,000</u>	<u>3,549</u>	<u>258,549</u>
Net book value			
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>16,428</u>	<u>1,775</u>	<u>18,203</u>

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Improvements to property £	Plant and machinery £
Cost			
At 1 January 2022	535,605	161,698	1,065,121
Additions	-	65,719	316,046
Disposals	-	-	(36,500)
Reclassification/transfer	-	-	(8,691)
At 31 December 2022	<u>535,605</u>	<u>227,417</u>	<u>1,335,976</u>
Depreciation			
At 1 January 2022	-	10,068	461,288
Charge for year	-	16,187	178,635
Eliminated on disposal	-	-	(22,259)
Reclassification/transfer	-	-	(395)
At 31 December 2022	<u>-</u>	<u>26,255</u>	<u>617,269</u>
Net book value			
At 31 December 2022	<u>535,605</u>	<u>201,162</u>	<u>718,707</u>
At 31 December 2021	<u>535,605</u>	<u>151,630</u>	<u>603,833</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

11. PROPERTY, PLANT AND EQUIPMENT - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
Cost			
At 1 January 2022	31,128	493,809	2,287,361
Additions	34,135	300,714	716,614
Disposals	-	(174,484)	(210,984)
Reclassification/transfer	28,181	(19,490)	-
At 31 December 2022	<u>93,444</u>	<u>600,549</u>	<u>2,792,991</u>
Depreciation			
At 1 January 2022	6,146	176,885	654,387
Charge for year	9,277	79,402	283,501
Eliminated on disposal	-	(84,952)	(107,211)
Reclassification/transfer	12,228	(11,833)	-
At 31 December 2022	<u>27,651</u>	<u>159,502</u>	<u>830,677</u>
Net book value			
At 31 December 2022	<u>65,793</u>	<u>441,047</u>	<u>1,962,314</u>
At 31 December 2021	<u>24,982</u>	<u>316,924</u>	<u>1,632,974</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
Cost			
At 1 January 2022	431,163	393,674	824,837
Additions	250,406	293,134	543,540
Disposals	-	(157,994)	(157,994)
Transfer to ownership	(105,761)	(21,021)	(126,782)
At 31 December 2022	<u>575,808</u>	<u>507,793</u>	<u>1,083,601</u>
Depreciation			
At 1 January 2022	117,582	106,859	224,441
Charge for year	96,274	73,375	169,649
Eliminated on disposal	-	(72,006)	(72,006)
Transfer to ownership	(77,356)	(15,617)	(92,973)
At 31 December 2022	<u>136,500</u>	<u>92,611</u>	<u>229,111</u>
Net book value			
At 31 December 2022	<u>439,308</u>	<u>415,182</u>	<u>854,490</u>
At 31 December 2021	<u>313,581</u>	<u>286,815</u>	<u>600,396</u>

12. INVENTORIES

	31/12/22 £	31/12/21 £
Stocks	<u>2,274,338</u>	<u>1,926,744</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 202213. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/22	31/12/21
	£	£
Trade debtors	4,302,707	3,532,966
Amounts owed by group undertakings	1,234,933	703,660
Other debtors	40,741	43,715
Prepayments	68,363	53,473
	<u>5,646,744</u>	<u>4,333,814</u>

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/22	31/12/21
	£	£
Bank loans and overdrafts (see note 16)	224,654	221,366
Hire purchase contracts (see note 17)	218,219	226,690
Trade creditors	2,026,172	1,616,159
Amounts owed to group undertakings	33,658	15,000
Tax	127,906	414,541
Social security and other taxes	86,299	165,019
VAT	527,882	403,982
Other creditors	458,240	3,546
Accruals	375,258	158,044
	<u>4,078,288</u>	<u>3,224,347</u>

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

	31/12/22	31/12/21
	£	£
Bank loans (see note 16)	681,599	903,691
Hire purchase contracts (see note 17)	521,486	319,658
	<u>1,203,085</u>	<u>1,223,349</u>

16. **LOANS**

An analysis of the maturity of loans is given below:

	31/12/22	31/12/21
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>224,654</u>	<u>221,366</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>225,277</u>	<u>222,576</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>379,732</u>	<u>571,210</u>

Amounts falling due in more than five years:

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

16. **LOANS - continued**

	31/12/22	31/12/21
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>76,590</u>	<u>109,905</u>

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31/12/22	31/12/21
	£	£
Net obligations repayable:		
Within one year	218,219	226,690
Between one and five years	<u>521,486</u>	<u>319,658</u>
	<u>739,705</u>	<u>546,348</u>

	Non-cancellable operating leases	
	31/12/22	31/12/21
	£	£
Within one year	90,000	70,000
Between one and five years	<u>27,083</u>	<u>97,083</u>
	<u>117,083</u>	<u>167,083</u>

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	31/12/22	31/12/21
	£	£
Bank loans	<u>206,254</u>	<u>225,058</u>

Bank loans of £206,254 (2021: £225,058) are secured by charges over the company's properties. Interest is charged on the loan at 2.5% above base rate.

Obligations under finance leases and hire purchase contracts are secured by related assets.

Included within other creditors is an amount of £395,937 (2021: £nil) which relates to invoice finance and is secured by a charge over the company's book debts.

19. **PROVISIONS FOR LIABILITIES**

	31/12/22	31/12/21
	£	£
Deferred tax	<u>206,424</u>	<u>167,854</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

19. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2022	167,854
Provided during year	38,570
Balance at 31 December 2022	<u>206,424</u>

Deferred tax has arisen due to accelerated capital allowances.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/22 £	31/12/21 £
5	Ordinary Shares	1	5	5
98	Ordinary A Shares	1	98	98
98	Ordinary B Shares	1	98	98
99	Ordinary C Shares	1	99	99
			<u>300</u>	<u>300</u>

21. RESERVES

	Retained earnings £
At 1 January 2022	3,641,202
Profit for the year	1,154,273
Dividends	(244,344)
At 31 December 2022	<u>4,551,131</u>

Reserves of the company represent the following:

Retained earnings

The cumulative profit and loss net of distributions to owners.

22. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is White Square Holdings Limited, a company registered in England and Wales.

White Square Holdings Limited is the smallest and largest group for which consolidated accounts including this company are prepared. The registered office of White Square Holdings Limited is Chancery House, 30 St Johns Road, Woking, GU21 7SA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.