

HOUSEHAM SPRAYERS LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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HOUSEHAM SPRAYERS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTOR:	R J Willey
REGISTERED OFFICE:	Househam Sprayers Limited Roughton Moor Woodhall Spa Lincolnshire LN10 6YQ
REGISTERED NUMBER:	02651880 (England and Wales)
SENIOR STATUTORY AUDITOR:	Damon Brain BFP FCA FMAAT
AUDITORS:	Duncan & Toplis Limited, Statutory Auditor 27-29 Lumley Avenue Skegness Lincolnshire PE25 2AT
BANKERS:	Santander 1 Exchange Arcade Cornhill Lincoln Lincolnshire LN5 7HJ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The headline results for the year and two preceding years are as follows:

	Year to 31 December 2021 £	Year to 31 December 2020 (as restated) £	Year to 31 December 2019 £
Turnover	7,905,835	8,645,019	10,776,055
Gross profit/(loss)	722,684	(11,087)	1,307,511
Gross profit margin	9.14%	(0.13%)	12.13%
Operating profit/(loss)	55,603	(865,575)	164,960
Operating profit margin	0.70%	(10.01%)	1.53%

Despite increasingly tough trading continuing in the Agricultural sector, the newly designed self-propelled sprayers continued to sell well but total turnover has decreased in 2021 compared to 2020.

The director has considered the key performance indicators and the current economic conditions in the country and are pleased with the progress made in an increasingly difficult market.

The company is working towards a position to manage the variable demand that is forecast in the Agricultural sector for 2022 and 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is affected by a number of factors, the principal ones of which are:

- The company is exposed to the risk of negative developments in global and regional economies and financial markets, either directly or through the impact on the company's bankers, suppliers or customers. These developments can result in recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures in the customer or supplier base, or increases in financing costs, and in the cost of utilities, raw materials and finished products. Such developments might increase operating costs, reduce revenues, lower asset values or result in the business being unable to meet in full its strategic objectives.
- The company operates in a competitive market, and failure to compete effectively in terms of price, product specification or levels of service can have an adverse effect on demand and / or margins.

The company mitigates risk in several ways:

- The company has in place an organisational structure with clearly defined lines of responsibility and delegation of authority. There are established policies and procedures for the setting of corporate strategies; financial planning and budgeting for risk management; for information and reporting systems; for systems of operational and financial internal control; and for monitoring operations and performance.
- Management and staff at all levels work closely with customers and suppliers to operate as effectively and efficiently as possible, whilst maintaining long term working relationships, innovation and good lines of communication.
- The company operates a recruitment, training and selection process to ensure employees are experienced and competent in their work. The workforce is trained to be alert, responsive to customer needs, and to operate in line with the company's corporate objectives.

FINANCIAL KEY PERFORMANCE INDICATORS

The key financial performance indicators used by the company are turnover, gross profit and operating profit. The primary statement of financial position indicators are solvency and the working capital position.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

DEVELOPMENT AND PERFORMANCE

The director is satisfied with the company's financial position and sees the current range and the investment in further designs as a good platform for further growth. The director is focused on a 3 to 5 year strategy of growth that can flex with market conditions.

The company actively develops relationships with customers to help grow export activity from within the UK. During the year it has focused greater attention and staff in this area, especially in the new EEC countries, along with further development of the business in Australia and New Zealand.

PENSIONS

The company operates both a defined contribution pension scheme and a Auto-enrolment scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

ON BEHALF OF THE BOARD:

R J Willey - Director

2 May 2023

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the manufacture of crop sprayers and the sale of new and used crop spraying machines along with spare parts and service.

DIVIDENDS

An interim dividend of 70,000 per share was paid on 31 December 2021. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2021 will be £ 70,000 .

At the time the dividends were paid the director was not aware that there were insufficient profits available for distribution due to a prior year adjustment being made as part of the audit of the financial statements for the year ended 31 December 2021. The director acknowledges that no further distributions can be made until there are sufficient profits available.

RESEARCH AND DEVELOPMENT

The company has an in-house research and development activity which is designed to ensure the company remains at the forefront of sprayer technology. Househam Sprayers Limited will continue to develop new products and maximise tax gains by using R&D tax incentives.

FUTURE DEVELOPMENTS

Market and credit conditions remain challenging for the company, its customers and suppliers. The company has responded by undergoing a process of reorganisation, which has proved to be a positive move for the business and its staff.

The company remains a responsive, innovative and flexible operator with a highly motivated and well trained workforce, and is operating successfully despite prevailing headwinds.

The director continues to develop the company both in the UK and overseas in order to ensure a more robust and stronger business, and looks forward to the future of the company and the industry sector with cautious optimism.

DIRECTOR

R J Willey held office during the whole of the period from 1 January 2021 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the 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 of the profit or loss of the company 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 company'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 company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

R J Willey - Director

2 May 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HOUSEHAM SPRAYERS LIMITED

Opinion

We have audited the financial statements of Househam Sprayers Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 2021 and of its loss 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the company incurred a net loss of £118,045 during the year ended 31 December 2021 and, as of that date, the company's current liabilities exceeded its total assets by £573,676. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 director is responsible for the other information. The other information comprises the information in the 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 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 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 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 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, 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 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 HOUSEHAM SPRAYERS LIMITED

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, 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 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 company or to cease operations, or has 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 have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as depreciation of tangible fixed assets and provision for stock, as well as the risk of inappropriate journal entries to increase reported profitability.

Audit procedures performed by the engagement team included the identification and testing of material and unusual journal entries and challenging management on key accounting estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods used by management to make those estimates, re-performing the calculation, and reviewing the outcome of prior year estimates.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and Safety regulations and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. This inspection included a review of the health and safety audits conducted within the year for any evidence of non-compliance, in addition to an assessment of the company's employment and health and safety controls. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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
HOUSEHAM SPRAYERS 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.

Damon Brain BFP FCA FMAAT (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
27-29 Lumley Avenue
Skegness
Lincolnshire
PE25 2AT

3 May 2023

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
			as restated
	Notes	£	£
REVENUE	4	7,905,835	8,645,019
Cost of sales		<u>7,183,151</u>	<u>8,656,106</u>
GROSS PROFIT/(LOSS)		722,684	(11,087)
Administrative expenses		<u>701,642</u>	<u>896,930</u>
		21,042	(908,017)
Other operating income		<u>34,561</u>	<u>42,442</u>
OPERATING PROFIT/(LOSS)	6	55,603	(865,575)
Interest receivable and similar income		<u>37</u>	<u>-</u>
		55,640	(865,575)
Interest payable and similar expenses	7	<u>173,685</u>	<u>196,808</u>
LOSS BEFORE TAXATION		(118,045)	(1,062,383)
Tax on loss	8	<u>-</u>	<u>193,062</u>
LOSS FOR THE FINANCIAL YEAR		<u>(118,045)</u>	<u>(1,255,445)</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
		£	as restated £
	Notes		
LOSS FOR THE YEAR		(118,045)	(1,255,445)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(118,045)</u>	<u>(1,255,445)</u>
Prior year adjustment	Note 10	<u>(2,762,248)</u>	<u>(1,688,322)</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		<u><u>(2,880,293)</u></u>	<u><u>(2,943,767)</u></u>

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	11		-		-
Property, plant and equipment	12		168,153		161,282
Investments	13		100		100
Investment property	14		<u>160,000</u>		<u>160,000</u>
			328,253		321,382
CURRENT ASSETS					
Inventories	15	2,980,009		3,333,793	
Debtors	16	1,502,883		2,341,866	
Cash at bank and in hand		<u>91,474</u>		<u>216,105</u>	
		4,574,366		5,891,764	
CREDITORS					
Amounts falling due within one year	17	<u>5,476,295</u>		<u>7,100,772</u>	
NET CURRENT LIABILITIES			(901,929)		(1,209,008)
TOTAL ASSETS LESS CURRENT LIABILITIES			(573,676)		(887,626)
CREDITORS					
Amounts falling due after more than one year	18		<u>930,774</u>		<u>428,779</u>
NET LIABILITIES			<u>(1,504,450)</u>		<u>(1,316,405)</u>
CAPITAL AND RESERVES					
Called up share capital	22		500		500
Revaluation reserve	23		50,039		50,039
Capital redemption reserve	23		500		500
Retained earnings	23		<u>(1,555,489)</u>		<u>(1,367,444)</u>
SHAREHOLDERS' FUNDS	26		<u>(1,504,450)</u>		<u>(1,316,405)</u>

The financial statements were approved the director and authorised for issue on 2 May 2023 and were signed by:

R J Willey - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	500	1,634,586	61,776	500	1,697,362
Prior year adjustment	-	(1,688,322)	-	-	(1,688,322)
As restated	500	(53,736)	61,776	500	9,040
Changes in equity					
Dividends	-	(70,000)	-	-	(70,000)
Total comprehensive income	-	1,518,540	(11,737)	-	1,506,803
Balance at 31 December 2020	500	1,394,804	50,039	500	1,445,843
Prior year adjustment	-	(2,762,248)	-	-	(2,762,248)
As restated	500	(1,367,444)	50,039	500	(1,316,405)
Changes in equity					
Dividends	-	(70,000)	-	-	(70,000)
Total comprehensive income	-	(118,045)	-	-	(118,045)
Balance at 31 December 2021	500	(1,555,489)	50,039	500	(1,504,450)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
		£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	51,104	(249,226)
Interest paid		(166,984)	(172,867)
Interest element of hire purchase payments paid		(11,178)	(23,941)
Tax paid		28,240	58,133
Net cash from operating activities		<u>(98,818)</u>	<u>(387,901)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(97,659)	(27,417)
Sale of tangible fixed assets		55,551	123,845
Interest received		37	-
Net cash from investing activities		<u>(42,071)</u>	<u>96,428</u>
Cash flows from financing activities			
New loans in year		950,000	425,000
Loan repayments in year		(469,785)	(122,850)
Other Loan repayments in year		(34,681)	(144,314)
New HP loans in year		81,464	-
Capital repayments in year		(52,140)	(86,791)
Amount introduced by directors		70,000	310,231
Amount withdrawn by directors		(8,856)	(94,659)
Equity dividends paid		(70,000)	(70,000)
Net cash from financing activities		<u>466,002</u>	<u>216,617</u>
Increase/(decrease) in cash and cash equivalents		<u>325,113</u>	<u>(74,856)</u>
Cash and cash equivalents at beginning of year	2	(666,249)	(591,393)
Cash and cash equivalents at end of year	2	<u>(341,136)</u>	<u>(666,249)</u>

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021	2020 as restated
	£	£
Loss before taxation	(118,045)	(1,062,383)
Depreciation charges	75,799	74,806
Profit on disposal of fixed assets	(40,562)	(37,519)
Finance costs	173,685	196,808
Finance income	(37)	-
	<u>90,840</u>	<u>(828,288)</u>
Decrease/(increase) in inventories	353,784	(21,503)
Decrease in trade and other debtors	810,743	421,065
(Decrease)/increase in trade and other creditors	<u>(1,204,263)</u>	<u>179,500</u>
Cash generated from operations	<u>51,104</u>	<u>(249,226)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	91,474	216,105
Bank overdrafts	<u>(432,610)</u>	<u>(882,354)</u>
	<u>(341,136)</u>	<u>(666,249)</u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	216,105	332,007
Bank overdrafts	<u>(882,354)</u>	<u>(923,400)</u>
	<u>(666,249)</u>	<u>(591,393)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	216,105	(124,631)	91,474
Bank overdrafts	<u>(882,354)</u>	<u>449,744</u>	<u>(432,610)</u>
	<u>(666,249)</u>	<u>325,113</u>	<u>(341,136)</u>
Debt			
Finance leases	(84,011)	(24,847)	(108,858)
Debts falling due within 1 year	(504,494)	38,980	(465,514)
Debts falling due after 1 year	<u>(382,500)</u>	<u>(484,514)</u>	<u>(867,014)</u>
	<u>(971,005)</u>	<u>(470,381)</u>	<u>(1,441,386)</u>
Total	<u>(1,637,254)</u>	<u>(145,268)</u>	<u>(1,782,522)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

Househam Sprayers Limited is a company incorporated in England and Wales. The address of the registered offices is given in the company information on page one of these financial statements. The nature of the company's operations and principal activities are detailed in the report of the director's on pages four and five.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statement's are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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 as modified by the revaluation of certain assets.

The Company has been significantly affected by a number of issues over the last few years which has resulted in losses being made in the current year of £118,045 and current liabilities being in excess of total assets by £573,676. These issues are as follows:

1. Brexit - the UK government had helped UK business prepare well, but the EU businesses were not prepared, and this resulted in big issues with shipping and long hold ups at the borders.
2. Covid 19 Pandemic - like many businesses this hit us very hard, both for staff but more importantly for the supply of parts.
3. Post Covid - it has taken at least a year for most businesses to start to get back to having stock availability of less than 40+ weeks instead of 12 weeks or less.

This difficult period of trading has resulted in the company suffering significant losses during the year, although the company has been able to secure financing to help with the cashflow of the business. The company is now back to trade shows after missing for 2 years, the good news is that we have a very good order book for 2023 with good profits and an improved balance sheet will come from this.

We expect that the next few years will be even better trading performance, we have managed to keep developing our range of Self-propelled crop sprayers alongside developing all the staff to ensure we can now take advantage of easier trading conditions.

In his going concern review the director has prepared cash flows based on confirmed machine sales as well as projected sales should the trading conditions improve. The director has confirmed his willingness to support the company and not call in his directors current account for a period of 12 months from the date of these financial statements.

These are material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern for the foreseeable future and, therefore the company might be unable to realise its assets and discharge its liabilities in the normal course of business.

Preparation of consolidated financial statements

The financial statements contain information about Househam Sprayers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

SALE OF GOODS

Turnover from the sale of crop sprayers is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

RENDERING OF SERVICES

When the outcome of a transaction can be estimated reliably, turnover from servicing is recognised by reference to the stage of completion at the reporting date.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

AMOUNTS RECOVERABLE ON CONTRACTS

Revenue is recognised on contracts in accordance with Financial Reporting Standard 102 where the company has obtained a right to consideration. Turnover recognised in this manner is based on an assessment of the fair value of the goods and services provided at the financial reporting date as a proportion of the total value of the contract. Provision is made against unbilled amounts on those contracts where the right to receive payment is contingent on factors outside the control of the company. Unbilled revenue is included in debtors.

INTEREST RECEIVABLE

Interest income is recognised using the effective interest method.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 33% on cost
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

Tangible Fixed Assets are held at cost less depreciation.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised on the income statement.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax 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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the financial reporting date are translated using the closing rate.

Hire purchase and leasing commitments

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Where goods are sold using finance leases, the entity recognises turnover from the sale of goods and the rights to receive future lease payments as a debtor. Minimum lease payments are apportioned between finance income and the reduction of the lease debtor with finance income allocated so as to produce a constant periodic rate of interest on the net investment in the finance lease.

Rentals payable and receivable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Provisions

Provisions are recognised when the company has an obligation at the financial reporting date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each financial reporting date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the income statement unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Financial Instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitute a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

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

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

Assets held for leasing and leasing income

Tangible assets constructed and held for leasing are included within the relevant fixed asset category at cost and depreciated over their estimated useful lives.

Second hand machines held for resale, but which may be rented out pending sale, are included as stock.

Income from the hiring out of machines is accounted for in the period to which it relates.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Stock provisioning

The company has products which are subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of the stock and the associated provisions required. When calculating the stock provision, management considers the nature, age and condition of the stock, as well as applying assumptions around the saleability/useability of the stock.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical conditions of the assets. See note 11 for the carrying amount of the property, plant and equipment and note 2 for the useful economic lives for each class of asset.

Impairment of debtors

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of trade debtors.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

4. REVENUE

The revenue and loss before taxation are attributable to the principal activities of the company.

An analysis of revenue by geographical market is given below:

	2021	2020 as restated
	£	£
United Kingdom	7,299,997	7,766,142
European Countries	115,199	541,273
Non European Countries	490,639	337,604
	<u>7,905,835</u>	<u>8,645,019</u>

5. EMPLOYEES AND DIRECTORS

	2021	2020 as restated
	£	£
Wages and salaries	1,515,123	1,779,934
Social security costs	132,571	155,376
Other pension costs	73,621	101,944
	<u>1,721,315</u>	<u>2,037,254</u>

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

	2021	2020 as restated
Production	34	36
Sales	3	5
Administration	14	16
	<u>51</u>	<u>57</u>

	2021	2020 as restated
	£	£
Directors' remuneration	13,558	153,333
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>22,112</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2021	2020
Money purchase schemes	<u>-</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

6. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020 as restated
	£	£
Depreciation - owned assets	37,202	29,283
Depreciation - assets on hire purchase contracts	38,597	45,523
Profit on disposal of fixed assets	(40,562)	(37,519)
Auditors' remuneration	13,500	13,500
Operating lease rentals	137,220	105,914
Research and development	12,359	3,690
Net (gains)/losses on foreign exchange	<u>(6,520)</u>	<u>20,123</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020 as restated
	£	£
Bank interest	166,984	172,867
Hire purchase interest	<u>6,701</u>	<u>23,941</u>
	<u>173,685</u>	<u>196,808</u>

8. TAXATION

Analysis of the tax charge

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

	2021	2020 as restated
	£	£
Current tax:		
UK corporation tax	-	(42,086)
Adjustment re previous years	-	(28,168)
Total current tax	<u>-</u>	<u>(70,254)</u>
Deferred tax:		
Tax losses carried forward	-	303,480
Capital allowances movement	-	(40,834)
Other timing differences	-	670
Total deferred tax	<u>-</u>	<u>263,316</u>
Tax on loss	<u>-</u>	<u>193,062</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

8. TAXATION - continued

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:

	2021	2020 as restated
	£	£
Loss before tax	<u>(118,045)</u>	<u>(1,062,383)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(22,429)	(201,853)
Effects of:		
Capital allowances in excess of depreciation	(3,845)	(3,290)
Adjustments to tax charge in respect of previous periods tax purposes	-	(28,168)
Timing difference	469	278,845
Research and development	-	(73,257)
Losses carried forward	<u>25,805</u>	<u>220,785</u>
Total tax charge	<u>-</u>	<u>193,062</u>

9. DIVIDENDS

	2021	2020 as restated
	£	£
Ordinary share shares of £ 1 each		
Interim	<u>70,000</u>	<u>70,000</u>

10. PRIOR YEAR ADJUSTMENT

The financial statements have been restated to incorporate the correct treatment of accrued income and the WIP recognition in relation to this. The change has resulted in profits available for distribution at 31 December 2020 decreasing after tax by £2,762,248.

Summary of the prior year accounting impact	£
Decrease in accrued income	1,473,897
Decrease in inventory	1,009,712
Removal of deferred tax asset	278,639
Prior year adjustment - decrease in distributable profits	2,762,248

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. INTANGIBLE FIXED ASSETS

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 January 2021 and 31 December 2021	<u>296,979</u>	<u>46,958</u>	<u>343,937</u>
AMORTISATION			
At 1 January 2021 and 31 December 2021	<u>296,979</u>	<u>46,958</u>	<u>343,937</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>

12. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2021	148,533	851,621	145,508	1,145,662
Additions	-	1,195	96,464	97,659
Disposals	-	-	(139,926)	(139,926)
Transfer to ownership	-	-	70,042	70,042
At 31 December 2021	<u>148,533</u>	<u>852,816</u>	<u>172,088</u>	<u>1,173,437</u>
DEPRECIATION				
At 1 January 2021	136,543	748,783	99,054	984,380
Charge for year	2,249	35,790	37,760	75,799
Eliminated on disposal	-	-	(124,937)	(124,937)
Transfer to ownership	-	-	70,042	70,042
At 31 December 2021	<u>138,792</u>	<u>784,573</u>	<u>81,919</u>	<u>1,005,284</u>
NET BOOK VALUE				
At 31 December 2021	<u>9,741</u>	<u>68,243</u>	<u>90,169</u>	<u>168,153</u>
At 31 December 2020	<u>11,990</u>	<u>102,838</u>	<u>46,454</u>	<u>161,282</u>

The net book value of property, plant and equipment includes £ 87,733 (2020 - £ 59,655) in respect of assets held under hire purchase contracts.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2021 and 31 December 2021	<u>100</u>
NET BOOK VALUE	
At 31 December 2021	<u>100</u>
At 31 December 2020	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. FIXED ASSET INVESTMENTS - continued

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Spraycare Limited

Registered office: United Kingdom

Nature of business: Dormant

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00	<u>100</u>	<u>100</u>
Aggregate capital and reserves			

14. INVESTMENT PROPERTY

FAIR VALUE

At 1 January 2021

and 31 December 2021

NET BOOK VALUE

At 31 December 2021

At 31 December 2020

Total
£

160,000

160,000

160,000

Fair value at 31 December 2021 is represented by:

	£
Valuation in 2016	61,776
Cost	<u>98,224</u>
	<u>160,000</u>

If investment property had not been revalued it would have been included at the following historical cost:

	2021 £	2020 as restated £
Cost	<u>98,224</u>	<u>98,224</u>

Investment property was valued on an open market basis on 1 May 2016 by Robert Bell and Company .

15. INVENTORIES

	2021 £	2020 as restated £
Raw materials	2,520,419	2,196,226
New machines	-	222,752
Second hand machines	<u>459,590</u>	<u>914,815</u>
	<u>2,980,009</u>	<u>3,333,793</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Trade debtors	673,947	720,835
Amounts recoverable on contracts	464,746	1,388,589
Other debtors	6,873	11,874
Tax	42,014	70,254
Prepayments and accrued income	315,303	150,314
	<u>1,502,883</u>	<u>2,341,866</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Bank loans and overdrafts (see note 19)	565,596	1,019,639
Other loans (see note 19)	332,528	367,209
Hire purchase contracts (see note 20)	45,098	37,732
Trade creditors	1,347,946	1,905,485
Amounts owed to group undertakings	100	100
Other taxes and social security	792,556	590,615
Other creditors	1,129,864	1,222,279
Directors' current accounts	372,630	311,486
Accruals and deferred income	889,977	1,646,227
	<u>5,476,295</u>	<u>7,100,772</u>

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

	2021	2020 as restated
	£	£
Bank loans (see note 19)	867,014	382,500
Hire purchase contracts (see note 20)	63,760	46,279
	<u>930,774</u>	<u>428,779</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2021	2020 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	432,610	882,354
Bank loans	132,986	137,285
Other loan	332,528	367,209
	<u>898,124</u>	<u>1,386,848</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>220,833</u>	<u>170,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>634,375</u>	<u>170,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

19. LOANS - continued

	2021	2020 as restated
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>11,806</u>	<u>42,500</u>

20. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	Hire purchase contracts 2021	2020 as restated
	£	£
Gross obligations repayable:		
Within one year	51,415	40,997
Between one and five years	<u>68,841</u>	<u>48,221</u>
	<u>120,256</u>	<u>89,218</u>
Finance charges repayable:		
Within one year	6,317	3,265
Between one and five years	<u>5,081</u>	<u>1,942</u>
	<u>11,398</u>	<u>5,207</u>
Net obligations repayable:		
Within one year	45,098	37,732
Between one and five years	<u>63,760</u>	<u>46,279</u>
	<u>108,858</u>	<u>84,011</u>

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020 as restated
£	£	
Not later than one year	76,250	76,250
Later than one and not later than five years	140,000	203,750
Later than five years	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

21. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020 as restated
	£	£
Bank overdrafts	432,610	882,354
Bank loans	1,000,000	519,785
Hire purchase contracts	108,858	84,011
Other creditor	1,127,416	1,276,128
Amounts owed to directors	372,630	311,485
	<u>3,041,514</u>	<u>3,073,763</u>

The bank overdraft and loans are secured by a fixed and floating charge over all company assets.

Hire purchase and finance lease balances are secured on the assets to which they relate.

The other creditor is secured on the stock to which it relates.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020 as restated
			£	£
500	Ordinary share	£ 1	<u>500</u>	<u>500</u>

23. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2021	1,394,804	50,039	500	1,445,343
Prior year adjustment	(2,762,248)			(2,762,248)
	<u>(1,367,444)</u>			<u>(1,316,905)</u>
Deficit for the year	(118,045)			(118,045)
Dividends	(70,000)			(70,000)
At 31 December 2021	<u>(1,555,489)</u>	<u>50,039</u>	<u>500</u>	<u>(1,504,950)</u>

Retained earnings

Includes all current and prior period retained profits and losses less dividends paid. All amounts are distributable.

At the time the dividends were paid the director was not aware that there were insufficient profits available for distribution due to a prior year adjustment being made as part of the audit of the financial statements for the year ended 31 December 2021. The director acknowledges that no further distributions can be made until there are sufficient profits available.

Revaluation reserve

The revaluation reserve represents amounts revalued in prior period in relation to the investment property.

Capital redemption reserve

The statutory, non distributable reserve into which amounts were transferred following the redemption of the company's own shares.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

24. PENSION COMMITMENTS

The company pays into a defined contribution scheme for eligible employees. The assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounts to £73,621 (2020 £101,944). The balance owed at the year end was £2,468 (2020 -£760 Debtor).

25. RELATED PARTY DISCLOSURES

Entities over which the entity has control, joint control or significant influence

	2021	2020 as restated
	£	£
Sales	20,938	380,477
Purchases	185,481	149,155
Amount due from related party	140,795	198,519
Amount due to related party	<u>352,428</u>	<u>490,709</u>

Key management personnel of the entity or its parent (in the aggregate)

	2021	2020 as restated
	£	£
Amount due to related party	<u>372,630</u>	<u>311,485</u>

During the year, a total of key management personnel compensation of £ 13,558 (2020 - £ 175,445) was paid.

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2021	2020 as restated
	£	£
Loss for the financial year	(118,045)	(1,255,445)
Dividends	<u>(70,000)</u>	<u>(70,000)</u>
Net reduction of shareholders' funds	(188,045)	(1,325,445)
Opening shareholders' funds (originally £1,445,843 before prior year adjustment of £(2,762,248))	<u>(1,316,405)</u>	<u>9,040</u>
Closing shareholders' funds	<u>(1,504,450)</u>	<u>(1,316,405)</u>

27. CONTROLLING PARTY

The company is controlled by R J Willey, the director and the majority shareholder.

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.