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REGISTERED NUMBER: 02861044 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022
FOR
DELENCO FOODS LIMITED**



THP Limited
Chartered Accountants
and Statutory Auditors
34-40 High Street
Wanstead
London
E11 2RJ

DELENCO FOODS LIMITED (REGISTERED NUMBER: 02861044)

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FOR THE YEAR ENDED 30 APRIL 2022**

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DELENCO FOODS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2022**

DIRECTOR:	R G A Barber
SECRETARY:	R G A Barber
REGISTERED OFFICE:	Unit 6 Heybridge Way Lea Bridge Road Leyton London E10 7NQ
REGISTERED NUMBER:	02861044 (England and Wales)
SENIOR STATUTORY AUDITOR:	Andrew Green LLB FCA
AUDITORS:	THP Limited Chartered Accountants and Statutory Auditors 34-40 High Street Wanstead London E11 2RJ

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2022**

The director presents his strategic report for the year ended 30 April 2022.

REVIEW OF BUSINESS

The director is pleased to report a very successful year for the business in terms of revenue growth and profits.

We moved to our current site in 1995 initially occupying one unit, the company now operates from three units totalling 24,000 sq ft. We offer several packaging presentations for butchers, caterers, and retail. Our customer base remains focussed on fresh and frozen sausages made from the finest cuts of meat and seasoned accordingly.

Our present customer base remains extensive, ranging from cruise lines to large catering organisations, schools, wholesale distributors and catering butchers (who supply hotels, restaurants and canteens), plus numerous bespoke clients.

Although the product range remains focussed on fresh sausages made from the finest cuts of meat and seasoned accordingly, we also now offer meat alternative products such as Lincolnshire style vegetarian sausages.

The company's key performance indicators are as follows:

	2022	2021
	£	£
Turnover	12,930,875	7,468,897
Gross Profit	4,503,214	2,387,371
Gross Profit Margin	34.83%	31.96%
Profit Before Tax	2,953,304	1,298,290

The net assets of the company are £4,761,411 (2021: £3,414,765). This reflects the solid position of the company from a solvency and liquidity point of view, and this strong balance sheet is the foundation on which the company can continue to grow and prosper. The company was able to trade with minimal impact from the coronavirus pandemic and the diverse and loyal customer base that the company has were able to restore their full trading activities prior to the pandemic.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the company's strategy are subject to a number of risks.

The director has set out below the principal risks facing the business.

The director is of the opinion that a thorough risk management process is adopted which involves a formal review of all risks identified below. Where possible, processes are in place to mitigate such risks.

Changing Eating Habits

In recent years there has been a steady increase in the number of consumers reducing their consumption of meat, through veganism, vegetarianism or simply cutting down. Although the company has not seen any negative impact on its business as the result of this shift, this does represent a risk to the business in the medium to longer term. The focus of the business on high quality, fresh produce, as well as the branching out into meat free products, should help mitigate against this risk.

Credit Risk

As with most businesses the company is exposed to the credit risk of customers and their ability to pay debts on a timely basis. The director has continued to be prudent in status checks for new and existing customers, keeping debtor days as low as possible and limiting the dominance of any single customer in the overall turnover of the company.

Price Risk and Competition

The market in which the company operates is highly competitive. As a result, the company is subject to a high level of price sensitivities and ongoing pressures on margins as direct costs and overheads costs increase. Policies of constantly assessing our pricing strategy, maintained strong relationships with customers and suppliers and ongoing market research are in place to mitigate such risks.

Liquidity risk

The company benefits from the very strong cash flows generated from operating activities, that have enabled the director to re-invest profits into the business. The director does however continually monitor cash flow forecasts in order to further manage liquidity risk.

Regulatory Risk

Due to the nature of the company's operations there are a number of operational risks it is exposed to, including non-compliance with Food Hygiene, Environmental and Health and Safety Legislation. The director conducts regular appraisals of compliance in this area and are continually reviewing operational procedures to ensure compliance.

Brexit

The areas where Brexit may impact our business include the access and cost of both labour and food. We continue to work with our business partners to mitigate any potential implications.

Wages Cost Inflation


The Company is continually affected by wage cost inflation and pressures within the labour market. The Company monitors the market to ensure complete compliance with labour market regulations, and maintains employment policies, remuneration and benefits packages that are designed to be competitive with other companies and recognise the value and contribution provided by employees, as well as providing colleagues with fulfilling career opportunities which offer progression. The Company regularly reviews pay and benefits. As with most UK based employers there remain ongoing challenges in terms of recruiting and retaining sufficiently capable staff.

Other inflationary factors

The Company is also subject to inflationary pressures across its cost base, particularly in the areas of fuel costs and energy.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control; hence, we are constantly assessing our plans in line with the current environment.

ON BEHALF OF THE BOARD:



R G A Barber - Director

12 January 2023

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 APRIL 2022**

The director presents his report with the financial statements of the company for the year ended 30 April 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture, wholesale and retail sales of meat and poultry products.

DIVIDENDS

The total distribution of dividends for the year ended 30 April 2022 was £1,050,000 (2021: £1,790,000).

FUTURE DEVELOPMENTS

The director is confident that continued focus on the key management policies will strengthen the financial position of the company during the ensuing year.

DIRECTORS

R G A Barber has held office during the whole of the period from 1 May 2021 to the date of this report.

Other changes in directors holding office are as follows:

R A Barber - resigned 2 June 2021

S P Barber - resigned 2 June 2021

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.

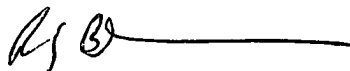
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

AUDITORS

The auditors, THP Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



R G A Barber - Director

12 January 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DELENCO FOODS LIMITED

Opinion

We have audited the financial statements of Delenco Foods Limited (the 'company') for the year ended 30 April 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 30 April 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the 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 DELENCO FOODS 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 the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with director and other management, and from our commercial knowledge and experience of the sector in which the company operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and any other relevant regulators as required.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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
DELENCO FOODS 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 Green LLB FCA (Senior Statutory Auditor)
for and on behalf of THP Limited
Chartered Accountants
and Statutory Auditors
34-40 High Street
Wanstead
London
E11 2RJ

12 January 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022

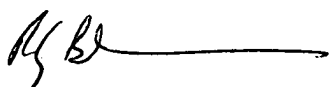
	Notes	2022	2021
		£	£
TURNOVER		12,930,875	7,468,897
Cost of sales		8,427,661	5,081,526
GROSS PROFIT		4,503,214	2,387,371
Distribution costs		1,020,113	759,872
Administrative expenses		576,084	469,625
		1,596,197	1,229,497
		2,907,017	1,157,874
Other operating income		46,144	136,676
OPERATING PROFIT	5	2,953,161	1,294,550
Interest receivable and similar income		143	3,740
PROFIT BEFORE TAXATION		2,953,304	1,298,290
Tax on profit	6	556,658	248,803
PROFIT FOR THE FINANCIAL YEAR		2,396,646	1,049,487

The notes form part of these financial statements

DELENCO FOODS LIMITED (REGISTERED NUMBER: 02861044)**BALANCE SHEET
30 APRIL 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	8	903,365	908,078
CURRENT ASSETS			
Stocks	9	209,409	137,338
Debtors	10	4,790,759	3,360,882
Cash at bank and in hand		911,703	354,643
		5,911,871	3,852,863
CREDITORS			
Amounts falling due within one year	11	1,458,453	759,402
NET CURRENT ASSETS		4,453,418	3,093,461
TOTAL ASSETS LESS CURRENT LIABILITIES		5,356,783	4,001,539
PROVISIONS FOR LIABILITIES	14	595,372	586,774
NET ASSETS		4,761,411	3,414,765
CAPITAL AND RESERVES			
Called up share capital	15	300	300
Retained earnings	16	4,761,111	3,414,465
SHAREHOLDERS' FUNDS		4,761,411	3,414,765

The financial statements were approved by the director and authorised for issue on 12 January 2023 and were signed by:



R G A Barber - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2020	300	4,154,978	4,155,278
Changes in equity			
Dividends	-	(1,790,000)	(1,790,000)
Total comprehensive income	-	1,049,487	1,049,487
Balance at 30 April 2021	<u>300</u>	<u>3,414,465</u>	<u>3,414,765</u>
Changes in equity			
Dividends	-	(1,050,000)	(1,050,000)
Total comprehensive income	-	2,396,646	2,396,646
Balance at 30 April 2022	<u>300</u>	<u>4,761,111</u>	<u>4,761,411</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

1. STATUTORY INFORMATION

Delenco Foods 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 on a going concern basis and 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.

Significant judgements and estimates

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.

a) Critical judgements in applying the entity's accounting policies

There are no specific judgements, apart from those involving estimates as detailed below, that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates can differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful 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 condition of the assets.

(ii) Provision for dilapidations

The company makes an estimate for the expected costs of dilapidations in relation to leasehold property. Provisions are made in line with the criteria contained within FRS102 Section 18 and on the basis of all available evidence at the time. The management obtains quotations from the building contractors to assist them with this process.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and value added taxes.

Revenue is recognised when goods are delivered to the customer, such that the risks and rewards of ownership have passed to them.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to leasehold property	- Over the period of the lease
Plant and machinery	- 10% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Items costing less than £1,000 are not capitalised, but written off to the profit and loss account as incurred.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for impairment of obsolete or slow moving items. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties, transport and handling directly attributable to bringing the stock to its present location and condition.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at this value less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet represent cash at bank and in hand.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss under operating expenses.

The carrying value of all short-term financial assets and liabilities are measured at amortised cost.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

3. ACCOUNTING POLICIES - continued

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.

4. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	2,318,251	1,714,252
Social security costs	228,174	155,028
Other pension costs	22,716	18,181
	<u>2,569,141</u>	<u>1,887,461</u>

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

	2022	2021
Operatives	70	61
Management and admin	7	7
	<u>77</u>	<u>68</u>

	2022 £	2021 £
Directors' remuneration	<u>101,101</u>	<u>107,170</u>

5. OPERATING PROFIT

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

	2022 £	2021 £
Hire of plant and machinery	124,010	129,758
Depreciation - owned assets	199,458	182,609
Profit on disposal of fixed assets	-	(4,133)
Auditors' remuneration	12,600	11,750
Foreign exchange differences	(90)	88
Auditors' remuneration for non-audit work	2,020	7,560
Operating leases	<u>148,270</u>	<u>148,270</u>

6. TAXATION

Analysis of the tax charge

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

	2022 £	2021 £
Current tax:		
UK corporation tax	548,060	248,650
Deferred tax	8,598	153
Tax on profit	<u>556,658</u>	<u>248,803</u>

UK corporation tax has been charged at 19% (2021 - 19%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2022 £	2021 £
Profit before tax	<u>2,953,304</u>	<u>1,298,290</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	561,128	246,675
Effects of:		
Income not taxable for tax purposes	-	(785)
Capital allowances in excess of depreciation	(13,068)	-
Depreciation in excess of capital allowances	-	2,760
Movement on deferred tax	8,598	153
Total tax charge	<u>556,658</u>	<u>248,803</u>

7. DIVIDENDS

	2022 £	2021 £
Interim	<u>1,050,000</u>	<u>1,790,000</u>

8. TANGIBLE FIXED ASSETS

	Improvements to leasehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2021	252,532	1,834,524	14,428
Additions	-	155,000	-
At 30 April 2022	<u>252,532</u>	<u>1,989,524</u>	<u>14,428</u>
DEPRECIATION			
At 1 May 2021	108,545	1,108,190	10,207
Charge for year	16,293	161,692	633
At 30 April 2022	<u>124,838</u>	<u>1,269,882</u>	<u>10,840</u>
NET BOOK VALUE			
At 30 April 2022	<u>127,694</u>	<u>719,642</u>	<u>3,588</u>
At 30 April 2021	<u>143,987</u>	<u>726,334</u>	<u>4,221</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

8. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2021	88,345	12,828	2,202,657
Additions	39,745	-	194,745
At 30 April 2022	128,090	12,828	2,397,402
DEPRECIATION			
At 1 May 2021	54,809	12,828	1,294,579
Charge for year	20,840	-	199,458
At 30 April 2022	75,649	12,828	1,494,037
NET BOOK VALUE			
At 30 April 2022	52,441	-	903,365
At 30 April 2021	33,536	-	908,078

9. STOCKS

	2022 £	2021 £
Stocks	209,409	137,338

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,329,331	795,440
Other debtors	971	45,971
Amount owed by related companies	2,493,993	1,546,793
Amount owed by joint venture	818,459	810,894
VAT	42,405	59,141
Prepayments	105,600	102,643
	4,790,759	3,360,882

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	828,465	453,689
Amounts owed to related companies	4,606	809
Corporation tax	548,060	243,975
Social security and other taxes	63,026	45,992
Accrued expenses	14,296	14,937
	1,458,453	759,402

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	266,411	266,411
Between one and five years	581,179	847,590
	847,590	1,114,001

13. SECURED DEBTS

A limited personal guarantee has been given by R G A Barber for £40,000 towards the bank overdraft facility.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

14. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	137,872	129,274
Dilapidations provision	457,500	457,500
	<u>595,372</u>	<u>586,774</u>
		Deferred tax
		£
Balance at 1 May 2021		129,274
Provided during year		8,598
Balance at 30 April 2022		<u>137,872</u>

The dilapidations provision is in respect of anticipated costs required to restore the premises to its former condition, as required under the lease. The lease expires in 2030.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2022 £	2021 £
300	Ordinary	£1	<u>300</u>	<u>300</u>

16. RESERVES

	Retained earnings £
At 1 May 2021	3,414,465
Profit for the year	2,396,646
Dividends	(1,050,000)
At 30 April 2022	<u>4,761,111</u>

17. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>110,460</u>	<u>186,000</u>

18. RELATED PARTY DISCLOSURES

Other related parties

	2022 £	2021 £
Sales	6,600	6,000
Purchases	76,791	23,888
Share of profit from joint venture	7,565	11,140
Storage costs	44,000	44,000
Amount due from related parties	3,312,452	2,357,687
Amount due to related parties	<u>4,606</u>	<u>809</u>

The above entities are related parties by virtue of the directorships held by R G A Barber and/or shareholdings held by the company.

19. CONTROLLING PARTY

The immediate parent company is Delenco Holdings Limited, a company registered in England and Wales that shares its registered office with the company. Copies of the group accounts may be obtained from Companies House.

ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R G A Barber.