

Registered number: 03535355

**EMS-FP&S LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**EMS-FP&S LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	N Groves S B Turton T Winterberg (resigned 28 February 2021)
<b>Company secretary</b>	D Smith
<b>Registered number</b>	03535355
<b>Registered office</b>	C/O BPW Limited Legion Way Braunstone Leicester LE19 1UZ
<b>Trading Address</b>	21 Gambrel Road Westgate Industrial Estate Northampton NN5 5BB
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 11 Merus Court Meridian Business Park LE19 1RJ

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**EMS-FP&S LIMITED**

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

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**Introduction**

The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2021.

**Principal activity**

The principal activity of the Company is the sale of parts for commercial vehicles.

**Business review**

The Company has continued to work with the transformation team, to assist in the changes required to the footprint, people, product proposition and profitability.

Throughout 2021, the internal and external change team have continued to enact the changes required. This has consisted of further amalgamation of smaller branches into more modernised hubs, containing specialists in both truck and trailer.

Our logistics operations have continued to show improvement, utilising a backbone trucking service and last mile digitisation.

**Going concern**

The Directors have prepared forecasts for the period of 12 months from the signing of the financial statements which shows the Company returning to profit and starting to generate cash. On the basis of these forecasts, which take into account all reasonably foreseeable circumstances, and the continued support from BPW Limited noted below, the Directors consider that the Company will be able to continue to operate as a going concern.

The financial statements have been prepared on a going concern basis, the validity of which depends on the continuing support of BPW Limited. BPW Limited has provided an on demand, interest free and unsecured loan to the Company of £3,600,846 (2020 - £7,369,749) which is included within amounts owed to group undertakings due within one year. The directors of BPW Limited have not demanded repayment of this loan, and they have formally confirmed in writing that they will not demand repayment of this loan and provide any other financial support as required to allow the Company to continue to trade.

**Principal risks and uncertainties**

The key business risks and uncertainties affecting the Company are increasing purchase costs and maintaining sales levels.

The Company's management endeavour to mitigate these risks by implementing regular strategic and operational reviews.

**Financial key performance indicators**

The key performance indicators used by the board to judge the success of the business are net assets, turnover, margins and profitability. The performance in the period is consistent with the board's expectations.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Other key performance indicators**

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

The Company has minimal exposure to foreign currency risks as all significant material supplies are contracted in sterling. Its financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency risks.

The Company is exposed to interest rate fluctuations on its bank funding but does not consider this to be material to an assessment of its financial position or profitability.

This report was approved by the board and signed on its behalf.



.....  
**N Groves**  
Director

Date: 01/06/2022

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**Results and dividends**

The loss for the year, after taxation, amounted to £2,359,115 (2020 - £1,502,038).

**Directors**

The directors who served during the year were:

N Groves  
S B Turton  
T Winterberg (resigned 28 February 2021)

**Qualifying third party indemnity provisions**

During the year and up to the date of this report directors indemnity insurance was in place under a group policy. This covers all qualifying directors.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.


**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
.....  
**N Groves**  
Director

Date: 01/06/2022

C/O BPW Limited  
Legion Way  
Braunstone  
Leicester  
LE19 1UZ

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 to 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMS-FP&S LIMITED**

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**Opinion**

We have audited the financial statements of EMS-FP&S Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 United Kingdom, including the Financial Reporting Council'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.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMS-FP&S LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report 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 Directors' Report.

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMS-FP&S LIMITED (CONTINUED)**

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

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

- Enquiry of management and those charged with governance around actual, potential or suspected litigation, claims, non-compliance with applicable laws and regulations and fraud.
- Enquiry of entity staff in tax and compliance functions and external advisors to identify any instances of noncompliance with laws and regulations.
- Performing audit work over the risk of management override, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing of financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Discussing with engagement team in relation to how and where fraud might occur in the financial statements and any potential indicators of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

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**EMS-FP&S LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMS-FP&S LIMITED (CONTINUED)**

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Shiran Wynter ACA (Senior Statutory Auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Leicester

Date: 01/06/2022

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

	Note	Continuing operations 2021 £	Discontin'd operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	4	23,966,781	-	23,966,781	21,318,461	967,124	22,285,585
Cost of sales		(17,298,321)	-	(17,298,321)	(15,283,988)	(717,969)	(16,001,957)
<b>Gross profit</b>		<b>6,668,460</b>	<b>-</b>	<b>6,668,460</b>	<b>6,034,473</b>	<b>249,155</b>	<b>6,283,628</b>
Administrative expenses		(7,719,042)	-	(7,719,042)	(7,338,373)	(651,014)	(7,989,387)
Exceptional administrative expenses	11	(1,320,474)	-	(1,320,474)	-	-	-
Other operating income	5	28,199	-	28,199	250,670	-	250,670
<b>Operating loss</b>	<b>6</b>	<b>(2,342,857)</b>	<b>-</b>	<b>(2,342,857)</b>	<b>(1,053,230)</b>	<b>(401,859)</b>	<b>(1,455,089)</b>
Interest payable and similar expenses	9	(16,258)	-	(16,258)	(46,949)	-	(46,949)
<b>Loss before tax</b>		<b>(2,359,115)</b>	<b>-</b>	<b>(2,359,115)</b>	<b>(1,100,179)</b>	<b>(401,859)</b>	<b>(1,502,038)</b>
<b>Loss for the financial year</b>		<b>(2,359,115)</b>	<b>-</b>	<b>(2,359,115)</b>	<b>(1,100,179)</b>	<b>(401,859)</b>	<b>(1,502,038)</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement Of Comprehensive Income.

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 13 to 30 form part of these financial statements.

**BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	100,531	98,693
Tangible assets	13	791,480	879,421
		<u>892,011</u>	<u>978,114</u>
<b>Current assets</b>			
Stocks	14	5,768,051	5,880,523
Debtors: amounts falling due within one year	15	5,379,672	5,632,725
Cash at bank and in hand	16	111,456	84,549
		<u>11,259,179</u>	<u>11,597,797</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(8,571,221)	(12,623,244)
		<u>2,687,958</u>	<u>(1,025,447)</u>
<b>Net current assets/(liabilities)</b>			
		<u>3,579,969</u>	<u>(47,333)</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	18	-	(13,583)
<b>Provisions for liabilities</b>			
Other provisions	21	(48,384)	(48,384)
		<u>(48,384)</u>	<u>(48,384)</u>
<b>Net assets/(liabilities)</b>		<u>3,531,585</u>	<u>(109,300)</u>
<b>Capital and reserves</b>			
Called up share capital	22	14,100,200	8,100,200
Share premium account	23	124,955	124,955
Capital redemption reserve	23	22	22
Profit and loss account	23	(10,693,592)	(8,334,477)
		<u>3,531,585</u>	<u>(109,300)</u>

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**EMS-FP&S LIMITED**  
**REGISTERED NUMBER: 03535355**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
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**N Groves**  
Director

Date: 01/06/2022

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2020</b>	8,100,200	124,955	22	(6,832,439)	1,392,738
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(1,502,038)	(1,502,038)
<b>At 1 January 2021</b>	8,100,200	124,955	22	(8,334,477)	(109,300)
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(2,359,115)	(2,359,115)
Shares issued during the year	6,000,000	-	-	-	6,000,000
<b>At 31 December 2021</b>	14,100,200	124,955	22	(10,693,592)	3,531,585

The notes on pages 13 to 30 form part of these financial statements.

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

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**1. General information**

EMS-FP&S Limited is a private company, limited by shares and incorporated in England and Wales, registration number 03535355. The address of the registered office is C/O BPW Limited, Legion Way, Braunstone, Leicester LE19 1UZ.

The principal activity of the Company is the sale of parts for commercial vehicles.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is British Pound Sterling (£).

The following principal accounting policies have been applied:

**2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of BPW Finans A/S as at 31 December 2020 and these financial statements may be obtained from Vranderupvej 2, DK-6000 Kolding, Denmark.



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

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**2. Accounting policies (continued)****2.3 Going concern**

The Company made a loss after tax of £2,359,115 (2020 - £1,502,038) for the year ended 31 December 2021 and has net current assets of £2,687,958 (2020 - net current liabilities £1,025,447) and net assets of £3,531,585 (2020 - net liabilities of £109,300).

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources and support to continue in operational existence for the foreseeable future. BPW Limited has confirmed its intention to support EMS-FP&S Limited for a period of 12 months from the signing of the financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial information.

The financial statements have been prepared on a going concern basis, the validity of which depends on the continuing support of BPW Limited. BPW Limited has provided an on demand, interest free and unsecured loan to the company of £3,600,846 (2020 - £7,369,749) which is included within amounts owed to group undertakings due within one year. The directors of BPW Limited have not demanded repayment of this loan, and they have formally confirmed in writing that they will not demand repayment of this loan and will provide any other financial support as required to allow the company to continue to trade.

The financial support will allow the company to operate in a lawful and proper manner and satisfy all third party obligations in full when they become due.

**2.4 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

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**2. Accounting policies (continued)****2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.6 Operating leases: the Company as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.8 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.9 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

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**2. Accounting policies (continued)****2.10 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.11 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.13 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

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**2. Accounting policies (continued)****2.14 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	4	years
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**2.15 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 10% - 20% straight-line
Plant and machinery	- 20% straight-line
Motor vehicles	- 20% - 33% straight-line
Fixtures and fittings	- 10% - 33% straight-line
Office equipment	- 13% - 50% straight-line
Assets under construction	- not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.16 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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

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**2. Accounting policies (continued)**

**2.17 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.18 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.19 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.21 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at transaction price, net of transaction cost, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

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

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**2. Accounting policies (continued)**

**2.21 Financial instruments (continued)**

are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates 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 addressed below.

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Stocks**

At each reporting date, stocks are reviewed to ensure that their cost exceeds their net realisable value. Appropriate provisions are made for old and slow moving stocks. The impairment loss is recognised immediately in the statement of comprehensive income.

**Trade debtors**

Judgement is required when determining if there is any impairment to the trade debtor balances. Trade debtors are reviewed for impairment if they are past due and are not repaid within the terms of the contracts. A provision for impairment will be made if, following the review of the balances, the company considers it unlikely that any balance will be recovered.

**Impairment of assets of cash-generating units and onerous leases**

The directors assess whether any assets of cash-generating units have suffered impairment in accordance with the accounting policies stated in note 2. The recoverable amount of cash generating units is determined using a value-in-use calculation. The method requires an estimate of future cash flows and the selection of a suitable discount rate in order to calculate the net present value of cash flows. In line with this review, the directors also assess whether the expected cash flows are expected to cover the contractual lease payments to identify if any onerous lease provisions are required.

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

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**4. Turnover**

In the opinion of the directors, the disclosure of geographical analysis would be seriously prejudicial to the interests of the company. Therefore, this information has been omitted.

All turnover arose within the United Kingdom.

**5. Other operating income**

	2021 £	2020 £
Government grants receivable	28,199	250,670
	<u>28,199</u>	<u>250,670</u>

**6. Operating loss**

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	271,069	341,892
Amortisation of intangible fixed assets	49,661	23,996
Other operating lease rentals	769,644	723,562
Profit on disposal of fixed assets	-	(3,185)
Exchange gains	(19,290)	(20,722)
	<u>(19,290)</u>	<u>(20,722)</u>

**7. Auditors' remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	28,500	28,500
	<u>28,500</u>	<u>28,500</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.



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

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**8. Employees**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	3,986,287	4,161,376
Social security costs	371,990	369,034
Cost of defined contribution scheme	184,203	173,442
	<u>4,542,480</u>	<u>4,703,852</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Administration	14	14
Distribution	111	115
Sales	27	31
	<u>152</u>	<u>160</u>

No Director received any remuneration during the current or prior year. The Directors were remunerated by its parent or ultimate parent company.

**9. Interest payable and similar expenses**

	2021 £	2020 £
Finance leases and hire purchase contracts	1,376	5,501
Other interest payable	14,882	41,448
	<u>16,258</u>	<u>46,949</u>

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

10. Taxation

	2021 £	2020 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(2,359,115)	(1,502,038)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(448,232)	(285,387)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	407	176
Depreciation for year in excess of Capital allowances	(10,202)	26,499
Changes in provisions leading to an increase (decrease) in the tax charge	64,368	-
Unrelieved tax losses carried forward	4,733	258,712
Group relief surrendered	388,926	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

From 1 April 2023, the Corporation Tax main rate will increase to 25% for profits over £250,000. A small profits rate will also be introduced for profits of £50,000 or less, charging Corporation Tax at 19%. Profits between £50,000 and £250,000 will be taxed at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

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

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**11. Exceptional items**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Exceptional items	1,320,474	-
	<u>1,320,474</u>	<u>-</u>

The exceptional items include costs incurred in respect of internal restructuring of the company.

**12. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 January 2021	122,689
Additions	51,499
At 31 December 2021	<u>174,188</u>
<b>Amortisation</b>	
At 1 January 2021	23,996
Charge for the year on owned assets	49,661
At 31 December 2021	<u>73,657</u>
<b>Net book value</b>	
At 31 December 2021	<u>100,531</u>
At 31 December 2020	<u>98,693</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**
**13. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2021	455,205	49,772	856,782	802,392	623,293	2,787,444
Additions	157,648	-	-	-	25,480	183,128
At 31 December 2021	612,853	49,772	856,782	802,392	648,773	2,970,572
<b>Depreciation</b>						
At 1 January 2021	182,310	49,772	735,519	436,181	504,241	1,908,023
Charge for the year on owned assets	61,208	-	56,007	89,122	41,845	248,182
Charge for the year on financed assets	-	-	22,887	-	-	22,887
At 31 December 2021	243,518	49,772	814,413	525,303	546,086	2,179,092
<b>Net book value</b>						
At 31 December 2021	369,335	-	42,369	277,089	102,687	791,480
At 31 December 2020	272,895	-	121,263	366,211	119,052	879,421

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Motor vehicles	24,015	95,269
	24,015	95,269

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

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**14. Stocks**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Finished goods and goods for resale	5,768,051	5,880,523
	<u>5,768,051</u>	<u>5,880,523</u>

An impairment loss of £14,330 (2020 - £36,035) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

**15. Debtors**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Trade debtors	4,235,036	4,922,341
Amounts owed by group undertakings	173,615	-
Other debtors	667,059	488,969
Prepayments and accrued income	303,962	221,415
	<u>5,379,672</u>	<u>5,632,725</u>

The amount recognised in the statement of comprehensive income in respect of bad debts is £63,693 (2020 - £75,456).

**16. Cash and cash equivalents**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Cash at bank and in hand	111,456	84,549
Less: bank overdrafts	(17,354)	(13,525)
	<u>94,102</u>	<u>71,024</u>

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

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	17,354	13,525
Trade creditors	3,168,998	3,044,135
Amounts owed to group undertakings	3,990,911	7,922,716
Other taxation and social security	319,454	867,504
Obligations under finance lease and hire purchase contracts	22,027	46,079
Proceeds of factored debts	1,046,318	679,200
Other creditors	366	3,595
Accruals and deferred income	5,793	46,490
	<u>8,571,221</u>	<u>12,623,244</u>

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

The proceeds of factored debts are secured on the debtor balances from which they arise.

The bank overdraft is secured by a debenture including a fixed charge over the assets of the company.

18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	-	13,583
	<u>-</u>	<u>13,583</u>

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	22,027	46,079
Between 1-5 years	-	13,583
	<u>22,027</u>	<u>59,662</u>

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

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**20. Deferred taxation**

The total amount of deferred tax assets not recognised at the reporting date is £1,678,084 (2020 - £1,232,411).

	2021 £	2020 £
Accelerated capital allowances	86,408	91,837
Losses and other deductions	1,591,676	1,140,574
	<u>1,678,084</u>	<u>1,232,411</u>

**21. Provisions**

	Restructuring provision £
At 1 January 2021	48,384
At 31 December 2021	<u>48,384</u>

The provision relates to an ongoing company restructure.

**22. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
14,100,200 (2020 - 8,100,200) Ordinary shares of £1.00 each	<u>14,100,200</u>	<u>8,100,200</u>

During the year, 6,000,000 Ordinary shares with an aggregate nominal value of £6,000,000 were issued to BPW Limited at par.

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

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**23. Reserves****Share premium account**

Relates to the excess over the nominal value of share capital subscribed by the shareholders upon issue of the shares.

**Capital redemption reserve**

A statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

**Profit and loss account**

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**24. Pension commitments**

The company contributes to money purchase pension schemes, the assets of which are held separately from those of the Company in independently administered funds. The pension cost charge for the year is shown in Note 8. Unpaid contributions at the period end amounted to £Nil (2020 - £2,626).

**25. Commitments under operating lease**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	455,972	663,796
Later than 1 year and not later than 5 years	653,301	897,354
Later than 5 years	183,909	615,787
	<u>1,293,182</u>	<u>2,176,937</u>

**26. Related party transactions**

In accordance with FRS 102 33.1A, as a wholly owned Subsidiary of BPW Limited, which is owned by BPW Finans A/S, the Company is exempt from the requirement to disclose transactions with other members of the group.



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

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**27. Controlling party**

The company is controlled by BPW Limited, who in turn are controlled by BPW Finans A/S a company incorporated in Denmark. The parent undertaking of the smallest group for which consolidated accounts are prepared is BPW Finans A/S.

Consolidated accounts are available from:  
BPW Finans A/S,  
Vranderupvej 2,  
DK-6000 Kolding,  
Denmark.

BPW Finans A/S is ultimately controlled by BPW Bergische Achsen KG, the parent undertaking of the largest group for which consolidated accounts are prepared and in the opinion of the Directors, this is the Company's ultimate parent company.