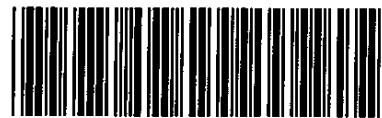


Company registration number 02070326 (England and Wales)

BELMONT LAUNDRY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

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BELMONT LAUNDRY LIMITED

COMPANY INFORMATION

Directors	Mr CS Middleton Mr MJ Middleton Mrs SJ Middleton Mrs LS Walker
Secretary	Mrs SJ Middleton
Company number	02070326
Registered office	15 Station Road St Ives Cambridgeshire United Kingdom PE27 5BH
Auditor	Thomas Quinn The Station House 15 Station Road St Ives Cambridgeshire PE27 5BH

BELMONT LAUNDRY LIMITED

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BELMONT LAUNDRY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

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

Review of the business

The Directors' are pleased to present the financial statements of the year.

The business has been able to pass on material increases in costs due to the inflationary environment, such as logistics costs, so this has not had an impact on margins.

The group is forecasting increased profit for the next reporting period.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from national and local retailers within the laundry equipment sector.

The business is also affected by the ability to pass on price increases, security and reliability of supply, the continued potential impacts of the Ukraine war and inflationary environment pushing up input costs. However, the group's strategy to effectively manage its costs and supply base help to mitigate these risks.

The group's exposure to foreign exchange currency fluctuations is managed through holding of multi currency funds.

The group has taken necessary steps to secure the supply chain to maintain reliability of supply and limit the impact on the business of cost inflation. The group continues to review pricing strategies to pass on cost inflation where appropriate.

Market prices

The group is exposed to market prices for certain raw materials. Wherever appropriate, foreign currency forward contracts are undertaken at a group level to minimise this exposure.

Liquidity risk

The group reviews its funding and working capital requirements on a continual basis and ensures that financial facilities are available to meet these requirements in both the short and medium term.

Key performance indicators

The KPIs that are monitored include turnover growth, margin and profit before tax.

The Directors report a £9.3m increase in the group's turnover on a year-on-year basis for the 12 months to 31 October 2022 as a result of market forces in the year. The group has achieved a gross profit percentage of 19.5% (2021 23.5%).

The group reports an operating profit £700k (2021 £156k).

On behalf of the board



Mr MJ Middleton
Director

29 September 2023

BELMONT LAUNDRY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present their annual report and financial statements for the year ended 31 October 2022.

Principal activities

The principal activity of the company and group continued to be that of washing and dry cleaning of textile and fur products.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £184,301. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr CS Middleton
Mr MJ Middleton
Mrs SJ Middleton
Mrs LS Walker


Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr MJ Middleton
Director

29 September 2023

BELMONT LAUNDRY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

BELMONT LAUNDRY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BELMONT LAUNDRY LIMITED

Opinion

We have audited the financial statements of Belmont Laundry Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent company's affairs as at 31 October 2022 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

BELMONT LAUNDRY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BELMONT LAUNDRY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit in respect of fraud, are;

1. to identify and assess the risks of material misstatement of the financial statements due to fraud;
2. to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks;
3. and to respond appropriately to instances of fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

BELMONT LAUNDRY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BELMONT LAUNDRY LIMITED

Our response was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards as issued by the Financial Reporting Council and UK taxation legislation.

We obtained an understanding of how the companies complies with these requirements by discussions with management and those charged with governance.

We assess the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

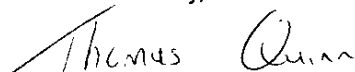
We inquired of management and those charged with governance as to any known instance of non-compliance of suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This includes making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Peter Matthew Barlow (Senior Statutory Auditor)
For and on behalf of Thomas Quinn

29 September 2023

Chartered Accountants
Statutory Auditor

The Station House
15 Station Road
St Ives
Cambridgeshire
PE27 5BH

BELMONT LAUNDRY LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	2021 £
Turnover	3	13,290,862	4,564,473
Cost of sales		(10,889,319)	(3,487,167)
Gross profit		2,401,543	1,077,306
Distribution costs		(910,371)	(458,409)
Administrative expenses		(791,578)	(463,183)
Operating profit	4	699,594	155,714
Interest receivable and similar income	7	58	-
Interest payable and similar expenses	8	(118,330)	(55,952)
Profit before taxation		581,322	99,762
Tax on profit	9	(399,621)	(18,542)
Profit for the financial year		181,701	81,220

Profit for the financial year is all attributable to the owners of the parent company.

BELMONT LAUNDRY LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2022

	2022 £	2021 £
Profit for the year	181,701	81,220
	<u> </u>	<u> </u>
Other comprehensive income		
Revaluation of tangible fixed assets	119,677	-
Tax relating to other comprehensive income	(106,339)	-
	<u> </u>	<u> </u>
Other comprehensive income for the year	13,338	-
	<u> </u>	<u> </u>
Total comprehensive income for the year	195,039	81,220
	<u> </u>	<u> </u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

BELMONT LAUNDRY LIMITED

GROUP BALANCE SHEET AS AT 31 OCTOBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		3,827,704		3,232,767
Current assets					
Stocks	15	356,590		420,947	
Debtors	16	3,318,149		2,047,296	
Cash at bank and in hand		362,579		7,676	
		4,037,318		2,475,919	
Creditors: amounts falling due within one year	17	(3,808,774)		(1,951,854)	
Net current assets			228,544		524,065
Total assets less current liabilities			4,056,248		3,756,832
Creditors: amounts falling due after more than one year	18		(1,811,149)		(1,884,950)
Provisions for liabilities					
Deferred tax liability	21	493,090		130,611	
			(493,090)		(130,611)
Net assets			1,752,009		1,741,271
Capital and reserves					
Called up share capital	23		10,206		10,206
Share premium account			19,776		19,776
Revaluation reserve			13,338		-
Profit and loss reserves			1,708,689		1,711,289
Total equity			1,752,009		1,741,271

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:


Mr MJ Middleton
Director

Company registration number 02070326 (England and Wales)

BELMONT LAUNDRY LIMITED

COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,984,406		3,232,767
Investments	13		1,569,621		-
			<u>4,554,027</u>		<u>3,232,767</u>
Current assets					
Stocks	15	356,590		420,947	
Debtors	16	2,866,441		2,047,296	
Cash at bank and in hand		211,879		7,676	
		<u>3,434,910</u>		<u>2,475,919</u>	
Creditors: amounts falling due within one year	17	(4,206,086)		(1,951,854)	
Net current (liabilities)/assets			<u>(771,176)</u>		<u>524,065</u>
Total assets less current liabilities			<u>3,782,851</u>		<u>3,756,832</u>
Creditors: amounts falling due after more than one year	18		(1,797,794)		(1,884,950)
Provisions for liabilities					
Deferred tax liability	21	369,025		130,611	
		<u>(369,025)</u>		<u>(130,611)</u>	
Net assets			<u>1,616,032</u>		<u>1,741,271</u>
Capital and reserves					
Called up share capital	23		10,206		10,206
Share premium account			19,776		19,776
Profit and loss reserves			1,586,050		1,711,289
Total equity			<u>1,616,032</u>		<u>1,741,271</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £59,062 (2021 - £81,220 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:


Mr MJ Middleton
Director

Company registration number 02070326 (England and Wales)

BELMONT LAUNDRY LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 November 2020		10,206	19,776	-	1,826,501	1,856,483
Year ended 31 October 2021:						
Profit and total comprehensive income		-	-	-	81,220	81,220
Dividends	10	-	-	-	(196,432)	(196,432)
Balance at 31 October 2021		10,206	19,776	-	1,711,289	1,741,271
Year ended 31 October 2022:						
Profit for the year		-	-	-	181,701	181,701
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	119,677	-	119,677
Tax relating to other comprehensive income		-	-	(106,339)	-	(106,339)
Total comprehensive income		-	-	13,338	181,701	195,039
Dividends	10	-	-	-	(184,301)	(184,301)
Balance at 31 October 2022		10,206	19,776	13,338	1,708,689	1,752,009

BELMONT LAUNDRY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 November 2020		10,206	19,776	1,826,501	1,856,483
Year ended 31 October 2021:					
Profit and total comprehensive income for the year		-	-	81,220	81,220
Dividends	10	-	-	(196,432)	(196,432)
Balance at 31 October 2021		10,206	19,776	1,711,289	1,741,271
Year ended 31 October 2022:					
Profit and total comprehensive income		-	-	59,062	59,062
Dividends	10	-	-	(184,301)	(184,301)
Balance at 31 October 2022		10,206	19,776	1,586,050	1,616,032

BELMONT LAUNDRY LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		1,993,946		(907,472)
Interest paid			(118,330)		(55,952)
Income taxes paid			(111,950)		-
Net cash inflow/(outflow) from operating activities			1,763,666		(963,424)
Investing activities					
Purchase of business		(518,837)		-	
Purchase of tangible fixed assets		389,985		(37,254)	
Proceeds from disposal of tangible fixed assets		23,500		24,000	
Purchase of subsidiaries, net of cash acquired		(750,874)		-	
Interest received		58		-	
Net cash used in investing activities			(856,168)		(13,254)
Financing activities					
Repayment of borrowings		2,658		4,455	
Proceeds from new bank loans		-		650,000	
Repayment of bank loans		(191,208)		(111,862)	
Payment of finance leases obligations		(190,914)		(269,482)	
Dividends paid to equity shareholders		(184,301)		(196,432)	
Net cash (used in)/generated from financing activities			(563,765)		76,679
Net increase/(decrease) in cash and cash equivalents			343,733		(899,999)
Cash and cash equivalents at beginning of year			7,676		907,675
Cash and cash equivalents at end of year			351,409		7,676
Relating to:					
Cash at bank and in hand			362,579		7,676
Bank overdrafts included in creditors payable within one year			(11,170)		-

BELMONT LAUNDRY LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		2,682,447		(907,472)
Interest paid			(118,008)		(55,952)
Income taxes paid			(14,308)		-
Net cash inflow/(outflow) from operating activities			2,550,131		(963,424)
Investing activities					
Purchase of tangible fixed assets		(215,054)		(37,254)	
Proceeds from disposal of tangible fixed assets		23,500		24,000	
Purchase of subsidiaries		(1,569,621)		-	
Net cash used in investing activities			(1,761,175)		(13,254)
Financing activities					
Repayment of borrowings		2,658		4,455	
Proceeds from new bank loans		-		650,000	
Repayment of bank loans		(191,208)		(111,862)	
Payment of finance leases obligations		(211,902)		(269,482)	
Dividends paid to equity shareholders		(184,301)		(196,432)	
Net cash (used in)/generated from financing activities			(584,753)		76,679
Net increase/(decrease) in cash and cash equivalents			204,203		(899,999)
Cash and cash equivalents at beginning of year			7,676		907,675
Cash and cash equivalents at end of year			211,879		7,676

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

Company information

Belmont Laundry Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Belmont Laundry Limited and all of its subsidiaries.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Belmont Laundry Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

Subsidiary financial statements consolidated are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and has been fully amortised on acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	nil
Plant and equipment	10% reducing balance
Fixtures and fittings	at varying rates on cost
Motor vehicles	at varying rates on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts 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.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Laundry	13,290,862	4,564,473
	<u>13,290,862</u>	<u>4,564,473</u>
	2022 £	2021 £
Turnover analysed by geographical market		
UK	13,290,862	4,564,473
	<u>13,290,862</u>	<u>4,564,473</u>
	2022 £	2021 £
Other revenue		
Interest income	58	-
	<u>58</u>	<u>-</u>

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	473,335	158,750
Profit on disposal of tangible fixed assets	(13,784)	(24,000)
Amortisation of intangible assets	3,030	-
	<u>462,581</u>	<u>134,750</u>

5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
	223	122	158	122
	<u>223</u>	<u>122</u>	<u>158</u>	<u>122</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	5,498,045	2,072,577	4,827,253	2,072,577
Pension costs	93,804	51,761	85,021	51,761
	<u>5,591,849</u>	<u>2,124,338</u>	<u>4,912,274</u>	<u>2,124,338</u>

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	3,220	3,124
	<u>3,220</u>	<u>3,124</u>

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	58	-
	<u>58</u>	<u>-</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	58	-
	<u>58</u>	<u>-</u>

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	76,151	11,179
Other finance costs:		
Interest on finance leases and hire purchase contracts	37,945	44,773
Other interest	4,234	-
Total finance costs	118,330	55,952

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	124,250	18,542
Adjustments in respect of prior periods	18,356	-
Total current tax	142,606	18,542
Deferred tax		
Origination and reversal of timing differences	257,015	-
Total tax charge	399,621	18,542

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	581,322	99,762
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	110,451	18,955
Tax effect of expenses that are not deductible in determining taxable profit	15,762	(413)
Adjustments in respect of prior years	18,357	-
Under/(over) provided in prior years	255,051	-
Taxation charge	399,621	18,542

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

9 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on: Revaluation of property	106,339	-

10 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	184,301	196,432

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 November 2021	39,587
Additions	3,030
At 31 October 2022	42,617
Amortisation and impairment	
At 1 November 2021	39,587
Amortisation charged for the year	3,030
At 31 October 2022	42,617
Carrying amount	
At 31 October 2022	-
At 31 October 2021	-
Company	Goodwill £
Cost	
At 1 November 2021 and 31 October 2022	39,587
Amortisation and impairment	
At 1 November 2021 and 31 October 2022	39,587

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

11 Intangible fixed assets

(Continued)

Carrying amount

At 31 October 2022

-

At 31 October 2021

-

12 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 November 2021	1,648,545	4,604,949	170,149	247,509	6,671,152
Additions	-	128,739	11,360	131,745	271,844
Business combinations	854,916	732,969	112,227	206,007	1,906,119
Disposals	-	-	(59,169)	(26,188)	(85,357)
Revaluation	(104,916)	-	-	-	(104,916)
At 31 October 2022	2,398,545	5,466,657	234,567	559,073	8,658,842
Depreciation and impairment					
At 1 November 2021	874,704	2,330,398	117,196	116,087	3,438,385
Depreciation charged in the year	69,171	323,005	13,129	68,030	473,335
Eliminated in respect of disposals	-	-	(59,169)	(16,472)	(75,641)
Revaluation	(114,593)	-	-	-	(114,593)
Exchange adjustments	111,086	717,279	98,300	182,987	1,109,652
At 31 October 2022	940,368	3,370,682	169,456	350,632	4,831,138
Carrying amount					
At 31 October 2022	1,458,177	2,095,975	65,111	208,441	3,827,704
At 31 October 2021	773,841	2,274,551	52,953	131,422	3,232,767

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

12 Tangible fixed assets

(Continued)

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 November 2021	1,648,545	4,604,949	170,149	247,509	6,671,152
Additions	-	93,740	-	108,995	202,735
Business combinations	-	-	12,319	-	12,319
Disposals	-	-	(59,169)	(26,188)	(85,357)
At 31 October 2022	1,648,545	4,698,689	123,299	330,316	6,800,849
Depreciation and impairment					
At 1 November 2021	874,704	2,330,398	117,196	116,087	3,438,385
Depreciation charged in the year	65,664	319,194	11,308	57,533	453,699
Eliminated in respect of disposals	-	-	(59,169)	(16,472)	(75,641)
At 31 October 2022	940,368	2,649,592	69,335	157,148	3,816,443
Carrying amount					
At 31 October 2022	708,177	2,049,097	53,964	173,168	2,984,406
At 31 October 2021	773,841	2,274,551	52,953	131,422	3,232,767

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	1,569,621	-

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 November 2021	-
Additions	1,569,621
At 31 October 2022	1,569,621
Carrying amount	
At 31 October 2022	1,569,621
At 31 October 2021	-

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

14 Subsidiaries

Details of the company's subsidiaries at 31 October 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
K Laundry Limited	UK	Ordinary	100.00	100.00

The accounts for the subsidiary K Laundry Limited are made up to 31 December 2022.

15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	356,590	420,947	356,590	420,947

16 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	2,907,905	1,588,118	2,461,750	1,588,118
Other debtors	377,503	437,286	377,503	437,286
Prepayments and accrued income	32,741	21,892	27,188	21,892
	<u>3,318,149</u>	<u>2,047,296</u>	<u>2,866,441</u>	<u>2,047,296</u>

17 Creditors: amounts falling due within one year

		Group 2022 £	2021 £	Company 2022 £	2021 £
	Notes				
Bank loans and overdrafts	19	190,337	229,167	179,167	229,167
Obligations under finance leases	20	328,305	286,627	320,673	286,627
Other borrowings	19	10,734	8,076	10,734	8,076
Trade creditors		930,387	702,874	870,112	702,874
Corporation tax payable		234,676	66,781	173,697	66,781
Other taxation and social security		599,282	369,015	512,453	369,015
Other creditors		1,123,289	122,247	1,767,637	122,247
Accruals and deferred income		391,764	167,067	371,613	167,067
		<u>3,808,774</u>	<u>1,951,854</u>	<u>4,206,086</u>	<u>1,951,854</u>

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	958,480	1,099,688	958,480	1,099,688
Obligations under finance leases	20	552,669	785,262	539,314	785,262
Other creditors		300,000	-	300,000	-
		<u>1,811,149</u>	<u>1,884,950</u>	<u>1,797,794</u>	<u>1,884,950</u>

19 Loans and overdrafts

		Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans		1,137,647	1,328,855	1,137,647	1,328,855
Bank overdrafts		11,170	-	-	-
Other loans		10,734	8,076	10,734	8,076
		<u>1,159,551</u>	<u>1,336,931</u>	<u>1,148,381</u>	<u>1,336,931</u>
Payable within one year		201,071	237,243	189,901	237,243
Payable after one year		958,480	1,099,688	958,480	1,099,688

20 Finance lease obligations

		Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:					
Within one year		328,304	286,627	320,673	286,627
In two to five years		552,670	785,262	539,314	785,262
		<u>880,974</u>	<u>1,071,889</u>	<u>859,987</u>	<u>1,071,889</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	386,751	130,611
Revaluations	106,339	-
	<u>493,090</u>	<u>130,611</u>
	Liabilities 2022 £	Liabilities 2021 £
Company		
Accelerated capital allowances	<u>369,025</u>	<u>130,611</u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 November 2021	130,611	130,611
Charge to profit or loss	256,140	238,414
Charge to equity	106,339	-
	<u>493,090</u>	<u>369,025</u>

22 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>93,804</u>	<u>51,761</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

23 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
A Ordinary shares of £1 each	3,000	3,000	3,000	3,000
B Ordinary shares of £1 each	500	500	500	500
C Ordinary shares of £1 each	500	500	500	500
D Ordinary shares of £1 each	500	500	500	500
E Ordinary shares of £1 each	500	500	500	500
F Ordinary shares of £1 each	103	103	103	103
G Ordinary shares of £1 each	103	103	103	103
	<u>10,206</u>	<u>10,206</u>	<u>10,206</u>	<u>10,206</u>

24 Acquisition of a business

On 11 May 2022 the group acquired x percent of the issued capital of K Laundry Ltd.

Net assets acquired	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	234,147	440,000	674,147
Inventories	26,297	-	26,297
Trade and other receivables	257,508	-	257,508
Cash and cash equivalents	750,784	-	750,784
Tax liabilities	(136,364)	-	(136,364)
Provisions	(5,781)	-	(5,781)
Total identifiable net assets	<u>1,126,591</u>	<u>440,000</u>	<u>1,566,591</u>
Goodwill			<u>3,030</u>
Total consideration			<u>1,569,621</u>
The consideration was satisfied by:			£
Cash			1,269,621
			<u>300,000</u>
			<u>1,569,621</u>

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

24 Acquisition of a business

(Continued)

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	-
Profit after tax	-

25 Financial commitments, guarantees and contingent liabilities

The company has provided a guarantee under section 479C of the Companies Act 2006 in relation to the subsidiary company, K Laundry Limited.

For the financial year ended 31 December 2022 K Laundry Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

26 Controlling party

The Ultimate controlling party is Mr M Middleton.

27 Cash generated from/(absorbed by) group operations

	2022 £	2021 £
Profit for the year after tax	181,701	81,220
Adjustments for:		
Taxation charged	399,621	18,542
Finance costs	118,330	55,952
Investment income	(58)	-
Gain on disposal of tangible fixed assets	(13,784)	(24,000)
Amortisation and impairment of intangible assets	3,030	-
Depreciation and impairment of tangible fixed assets	473,335	158,750
Decrease in provisions	(305,781)	-
Movements in working capital:		
Decrease/(increase) in stocks	90,654	(377,133)
Increase in debtors	(755,837)	(1,024,175)
Increase in creditors	1,802,735	203,372
Cash generated from/(absorbed by) operations	1,993,946	(907,472)

BELMONT LAUNDRY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

28 Cash generated from/(absorbed by) operations - company

	2022 £	2021 £
Profit for the year after tax	59,062	81,220
Adjustments for:		
Taxation charged	359,638	18,542
Finance costs	118,008	55,952
Gain on disposal of tangible fixed assets	(13,784)	(24,000)
Depreciation and impairment of tangible fixed assets	453,699	158,750
Movements in working capital:		
Decrease/(increase) in stocks	64,357	(377,133)
Increase in debtors	(819,145)	(1,024,175)
Increase in creditors	2,460,612	203,372
Cash generated from/(absorbed by) operations	2,682,447	(907,472)

29 Analysis of changes in net debt - group

	1 November 2021 £	Cash flows £	Other non- cash changes £	31 October 2022 £
Cash at bank and in hand	7,676	354,903	-	362,579
Bank overdrafts	-	(11,170)	-	(11,170)
	7,676	343,733	-	351,409
Borrowings excluding overdrafts	(1,336,931)	188,550	-	(1,148,381)
Obligations under finance leases	(1,071,889)	190,914	1	(880,974)
	(2,401,144)	723,197	1	(1,677,946)

30 Analysis of changes in net debt - company

	1 November 2021 £	Cash flows £	31 October 2022 £
Cash at bank and in hand	7,676	204,203	211,879
Borrowings excluding overdrafts	(1,336,931)	188,550	(1,148,381)
Obligations under finance leases	(1,071,889)	211,902	(859,987)
	(2,401,144)	604,655	(1,796,489)