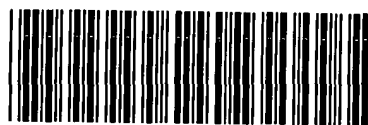


REGISTERED NUMBER: 00551762 (England and Wales)

G. J. HANDY (TRADING) LTD
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 2021

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**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

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G. J. HANDY (TRADING) LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2021

DIRECTORS:

Mr D L Belcher
Mr S A Belcher
Mrs D S Belcher
Mr S Bartlett
Mr M A Moseley

REGISTERED OFFICE:

Handy Distribution
Murdock Road
Dorcan
SWINDON
Wiltshire
SN3 5HY

REGISTERED NUMBER:

00551762 (England and Wales)

AUDITORS:

Morris Owen
Statutory Auditors
43-45 Devizes Road
SWINDON
Wiltshire
SN1 4BG

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The directors have pleasure in presenting their strategic report for the year ended 30 November 2021.

COVID-19 UPDATE

In 2020 the World Health Organisation declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. COVID-19 is having significant effects on global markets, supply chains, businesses, and communities. Throughout 2021 we slowly saw restrictions easing and retail start to regain some normality however, the slow of supply chain and heavy demand on products via online trading in 2020 meant securing production and components to build products has become challenging. Through our forward planning and strong supplier relationships we managed these challenges well throughout 2021.

REVIEW OF BUSINESS

The sector in which the company trades is seasonal and is dependent to some degree on the weather at key times.

2021 saw a dip in sales early mid-season due partly to weather however this helped supply chain recovery and followed by a strong but slightly later season.

The turnover for the year was £16.1 million, while this was a drop in turnover on 2020 which was £19.3 million (lockdown year) it was still an increase versus 2019 which was £15.3 million.

Profit was up again in 2021 despite the drop in turnover and this was due mainly to the company restructuring, something we started in 2020 as part of shaping the business for the future. We continued to closely monitor overheads as we started to come out of the pandemic and navigate supply chain recovery.

Our UK distribution partnership with Greenworks Tools and The Webb, The Handy and Q Garden brands continue to grow at a strong pace which complement the other big brand names we represent.

Our strategy remains unchanged with the aim to deliver the best distribution infrastructure in our industry coupled with a highly skilled and knowledgeable team of staff means we can continue to grow our business and strive to lead in our sector.

POSITION AT THE END OF THE YEAR

At year end the company was in a strong balance sheet position and stock levels had started to recover well with a level of normality now returning to the supply chain. Due to the pandemic, we predict still some uncertainty around aspects of supply chain including the volatile cost of shipping goods, but we will continue to work hard to minimise these issues.

Our strategy to move all operation to one site was concluded by the end of the financial year and further expansion of our Dorcan Industrial Estate site in 2020/2021 will put us in strong position to drive growth.

PRINCIPAL RISKS AND UNCERTAINTIES

As a business we continue to deal with risks and uncertainties, we efficiently dealt with the challenges of BREXIT and the World pandemic. We have learnt this is an everchanging world, our skilled team of people adapt well to what is throw at the business. Rising costs are one of the biggest challenges we are currently facing which puts pressure on both us as a business and the economy as a whole. Gardens grow even if in recession and with a wide range of products in all price brackets we will continue to aim to navigate rising costs and offer great value products.

Weather is and always has been the biggest uncertainty we cannot control. We have been dealing with this challenge as a business for over 80 years and the experience in our team allows us to keep these risks to a minimum by managing stock and range offerings.

KEY PERFORMANCE INDICATORS

The directors have identified that the key performance indicators when looking at the business are the monitoring of turnover on a monthly basis compared to the seasonalised budget, margin levels (2021 17.8%, 2020 12.4%, 2019 9.2%), stock turn (2021 2.6, 2020 3.6, 2019 2.5), control of overheads compared to budget and cash flow.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

FUTURE DEVELOPMENTS

The ongoing investment in our Dorcan site and the business as a whole will continue to drive industry leading service. A further expansion of the distribution facility is planned for later in 2022 to take the business to a new level of efficiency. We continue to be partnered by the leading brands as well as our own brand offerings making us the one stop wholesaler in our industry. The business continues to fight the challenges the world today presents and push forward for a sustainable future.

ON BEHALF OF THE BOARD:



Mr S A Belcher - Director

22 August 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 30 November 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of retailing and distribution of domestic and professional garden machinery.

DIVIDENDS

Dividends totalling £19.30 per share were paid during the year. The total distribution of dividends for the year end 30th November 2021 was £328,045.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2020 to the date of this report.

Mr D L Belcher
Mr S A Belcher
Mrs D S Belcher
Mr S Bartlett
Mr M A Moseley

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

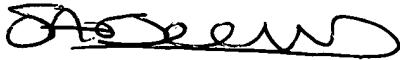
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'S A Belcher', written over a horizontal line.

Mr S A Belcher - Director

22 August 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
G. J. HANDY (TRADING) LTD**

Opinion

We have audited the financial statements of G. J. Handy (Trading) Ltd (the 'company') for the year ended 30 November 2021 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
G. J. HANDY (TRADING) LTD**

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
G. J. HANDY (TRADING) LTD**

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

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

As a result of a small management and finance team we identified a risk of fraud through management bias and ability to override of controls, including lack of segregation of duties, which could lead to a misappropriation of cash and other assets. To address this we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- carried out walk through testing of both sales and purchases to understand payment and authorisation processes;
- reviewing reasons behind sales credit notes raised;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note two were indicative of potential bias; and
- investigated the rationale behind significant or unusual transaction.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring with solicitors for any instances in the year;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue & Customs (HMRC) and any legal correspondence.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Mr Alan John Barlow (Senior Statutory Auditor)
for and on behalf of Morris Owen
Statutory Auditors
43-45 Devizes Road
SWINDON
Wiltshire
SN1 4BG

Date: 22 5 22

G. J. HANDY (TRADING) LTD (REGISTERED NUMBER: 00551762)

**STATEMENT OF INCOME AND
RETAINED EARNINGS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
REVENUE	3	16,217,953	19,317,935
Cost of sales		13,326,498	16,916,564
GROSS PROFIT		2,891,455	2,401,371
Administrative expenses		2,032,130	2,061,398
		859,325	339,973
Other operating income	4	234,485	305,373
OPERATING PROFIT	6	1,093,810	645,346
Interest payable and similar expenses	7	5,712	27,070
PROFIT BEFORE TAXATION		1,088,098	618,276
Tax on profit	8	203,641	118,653
PROFIT FOR THE FINANCIAL YEAR		884,457	499,623
Retained earnings at beginning of year		5,216,123	4,885,054
Dividends	9	(328,045)	(168,554)
RETAINED EARNINGS AT END OF YEAR		5,772,535	5,216,123

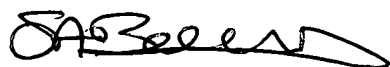
The notes form part of these financial statements

G. J. HANDY (TRADING) LTD (REGISTERED NUMBER: 00551762)

**STATEMENT OF FINANCIAL POSITION
30 NOVEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Property, plant and equipment	11		240,998		174,626
			<u>240,998</u>		<u>174,626</u>
CURRENT ASSETS					
Inventories	12	5,537,903		2,675,906	
Debtors	13	3,650,470		3,410,213	
Cash at bank and in hand		60,896		1,375,515	
		<u>9,249,269</u>		<u>7,461,634</u>	
CREDITORS					
Amounts falling due within one year	14	<u>3,575,234</u>		<u>2,309,782</u>	
NET CURRENT ASSETS			<u>5,674,035</u>		<u>5,151,852</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,915,033		5,326,478
CREDITORS					
Amounts falling due after more than one year	15		(62,153)		(19,148)
PROVISIONS FOR LIABILITIES	20		<u>(54,345)</u>		<u>(65,207)</u>
NET ASSETS			<u><u>5,798,535</u></u>		<u><u>5,242,123</u></u>
CAPITAL AND RESERVES					
Called up share capital	21		17,000		17,000
Capital redemption reserve	22		9,000		9,000
Retained earnings	22		<u>5,772,535</u>		<u>5,216,123</u>
SHAREHOLDERS' FUNDS			<u><u>5,798,535</u></u>		<u><u>5,242,123</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 22 August 2022 and were signed on its behalf by:



Mr S A Belcher - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

1. STATUTORY INFORMATION

GJ Handy (Trading) Limited is private company, limited by shares, registered in England and Wales.

The registered office address is Murdock Road, Dorcan, Swindon, Wiltshire, SN3 5HY.

These financial statements are presented in British Pounds (GBP), which is the company's functional and presentational currency.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

The directors have calculated an annual stock provision for any slowing moving or obsolete third party stock. The directors believe the most accurate way to calculate this provision is to review each stock line held at the year end and compare this to sales post year end. All stock lines that have had less than 20% sales are deemed to be slowing moving and/or obsolete. Of this total of slowing moving and/or obsolete stock, the directors believe that a portion of this should be provided for. This year's profile of stock included a majority of 'newer' stock and therefore this was provided for at a lower percentage of 17.5%. Stock lines, as in the previous year, that have been included in the provision for two consecutive years or more are subject to a 50% provision. The period for the post year end review is considered to capture the seasonality of the business. The provision has been calculated at £253,628 (2020: £196, 929).

The directors also have determined an appropriate provision for bad and doubtful debts by assessing the recoverability of all balances on a balance by balance basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of vat, discounts, and rebates. Turnover is recognised when goods are despatched or made available for collection. Turnover in foreign currencies is translated into sterling at the rates published by HMRC.

Intangible fixed assets

Amortisation is provided over 3 years to write off the website costs over its estimated useful life.

Tangible fixed assets

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

Property improvements	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 40% on reducing balance
Computer equipment	- 20% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. ACCOUNTING POLICIES - continued

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value, after make due allowance for obsolete and slow moving items. The cost of inventories is measured using the first-in first-out basis.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Transactions in all other foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date.

The company enters into a forward agreements to minimise against the risk of fluctuations in the US dollar.

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. ACCOUNTING POLICIES - continued**Financial instruments**

Financial instruments are classified by the directors as basic or advanced following the conditions in FRS 102 Section 11. Basic financial instruments are recognised at amortised cost using the effective interest method. The only advanced instruments recognised by the company are derivatives (being forward foreign exchange contracts). Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in arriving at profit before tax. Derivative assets are included in other debtors and derivative liabilities are included in other creditors.

3. REVENUE

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

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Other income	161,830	172,028
Government grants	72,655	133,345
	<u>234,485</u>	<u>305,373</u>

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,200,383	1,381,581
Social security costs	124,213	135,848
Other pension costs	34,801	26,046
	<u>1,359,397</u>	<u>1,543,475</u>

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

	2021	2020
Management staff	5	5
Administration staff	12	18
Sales, distribution & workshop staff	28	28
	<u>45</u>	<u>51</u>

	2021	2020
	£	£
Directors' remuneration	183,671	264,202
Directors' pension contributions to money purchase schemes	6,467	6,387
	<u>190,138</u>	<u>270,589</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

6. OPERATING PROFIT

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

	2021	2020
	£	£
Hire of plant and machinery	12,612	9,464
Depreciation - owned assets	63,421	65,606
Depreciation - assets on hire purchase contracts	79,980	55,332
Profit on disposal of fixed assets	(35,958)	(23,226)
Website costs amortisation	-	2,925
Auditors' remuneration	16,295	15,785
Forward currency contract movement	(80,076)	79,353
Foreign exchange differences	346,798	(35,121)
	<u> </u>	<u> </u>

Auditors' remuneration for non audit work includes the fees of £5,660 (2020: £5,250) payable to the company's auditors for the audit of its fellow subsidiary company, G.J. Handy (Properties) Limited, and for the G.J. Handy (Holdings) Limited Group as a whole.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	962	21,354
Hire purchase	4,750	5,716
	<u>5,712</u>	<u>27,070</u>

8. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	190,826	142,849
Over/under provision in previous year	(662)	-
Total current tax	<u>190,164</u>	<u>142,849</u>
Deferred tax	<u>13,477</u>	<u>(24,196)</u>
Tax on profit	<u>203,641</u>	<u>118,653</u>

UK corporation tax has been charged at 19%.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021	2020
	£	£
Profit before tax	<u>1,088,098</u>	<u>618,276</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	206,739	117,472
Effects of:		
Expenses not deductible for tax purposes	642	184
Capital allowances in excess of depreciation	(3,078)	-
Depreciation in excess of capital allowances	-	997
Adjustments to tax charge in respect of previous periods	(662)	-
Total tax charge	<u>203,641</u>	<u>118,653</u>

The UK corporation tax rate was set to remain at 19% as enacted on 22 July 2020. The budget held on 3 March 2021 however announced that the main UK corporation tax rate will increase to 25% from 1 April 2023, as enacted on 24 May 2021.

The deferred tax charge of £13,477 (2020: £24,196) relates to the origination and reversal of temporary timing differences.

9. DIVIDENDS

	2021	2020
	£	£
Interim	<u>328,045</u>	<u>168,554</u>

10. INTANGIBLE FIXED ASSETS

	Website costs
	£
COST	
At 1 December 2020 and 30 November 2021	<u>22,000</u>
AMORTISATION	
At 1 December 2020 and 30 November 2021	<u>22,000</u>
NET BOOK VALUE	
At 30 November 2021	-
At 30 November 2020	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT

	Property improvements £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 December 2020	8,760	240,354	9,034
Additions	-	29,000	34,041
Disposals	-	(45,052)	-
At 30 November 2021	8,760	224,302	43,075
DEPRECIATION			
At 1 December 2020	3,930	226,750	9,034
Charge for year	876	16,215	6,808
Eliminated on disposal	-	(45,052)	-
At 30 November 2021	4,806	197,913	15,842
NET BOOK VALUE			
At 30 November 2021	3,954	26,389	27,233
At 30 November 2020	4,830	13,604	-
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 December 2020	715,154	58,296	1,031,598
Additions	137,254	15,754	216,049
Disposals	(66,120)	-	(111,172)
At 30 November 2021	786,288	74,050	1,136,475
DEPRECIATION			
At 1 December 2020	569,331	47,927	856,972
Charge for year	112,328	7,174	143,401
Eliminated on disposal	(59,844)	-	(104,896)
At 30 November 2021	621,815	55,101	895,477
NET BOOK VALUE			
At 30 November 2021	164,473	18,949	240,998
At 30 November 2020	145,823	10,369	174,626

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT - continued

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 December 2020	15,038	202,416	217,454
Additions	-	137,253	137,253
Disposals	-	(44,490)	(44,490)
At 30 November 2021	15,038	295,179	310,217
DEPRECIATION			
At 1 December 2020	9,023	145,961	154,984
Charge for year	3,008	76,972	79,980
Eliminated on disposal	-	(39,363)	(39,363)
At 30 November 2021	12,031	183,570	195,601
NET BOOK VALUE			
At 30 November 2021	3,007	111,609	114,616
At 30 November 2020	6,015	56,455	62,470

12. INVENTORIES

	2021 £	2020 £
Spares stock	537,504	490,583
Machinery stock	5,000,399	2,185,323
	5,537,903	2,675,906

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,125,043	1,156,722
Amounts owed by group undertakings	489,713	209,934
Amounts owed by participating interests	1,756,824	1,756,824
Other debtors	140,511	86,578
Corporation tax recoverable	-	49,907
Prepayments and accrued income	138,379	150,248
	3,650,470	3,410,213

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	238,745	-
Hire purchase contracts (see note 17)	61,916	54,701
Trade creditors	2,178,314	1,483,933
Amounts owed to group undertakings	179	212
Corporation tax	190,826	142,849
Social security and other taxes	28,327	33,875
VAT	340,108	76,605
Other creditors	79,591	62,760
Forward currency contracts	-	80,076
Directors' current accounts	18,616	18,022
Accruals and deferred income	438,612	356,749
	<u>3,575,234</u>	<u>2,309,782</u>

Included in other creditors is an amount of £5,347 (2020: £5,259) in relation to pension contributions owing.

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

	2021	2020
	£	£
Hire purchase contracts (see note 17)	<u>62,153</u>	<u>19,148</u>

The terms of the hire purchase agreements for the above balance have repayments in equal instalments ending between December 2021 and December 2024, at interest rates that vary between 2.50% and 3.30%.

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>238,745</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	61,916	54,701
Between one and five years	<u>62,153</u>	<u>19,148</u>
	<u>124,069</u>	<u>73,849</u>

The company rents its premises from its fellow group company, G.J. Handy (Properties) Limited; there is no formal agreement in place.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

18. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdraft	238,745	-
Hire purchase contracts	124,069	73,849
	<u>362,814</u>	<u>73,849</u>

Obligations under hire purchase are secured on the assets concerned.

The company has a bank overdraft facility. The use of the facility is secured by the following:

A debenture dated 16th June 2009 over all assets of the company.

A unlimited inter-company guarantee dated 19th November 2015 for G.J. Handy (Properties) Limited and G.J. Handy (Holdings) Limited.

19. FINANCIAL INSTRUMENTS

The Company's financial instruments may be analysed as follows:

	2021	2020
	£	£
Financial liabilities		
Financial liabilities measured at fair value	-	80,076
	<u>-</u>	<u>80,076</u>

Fair value of financial assets and liabilities

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. As at 30 November 2021, the outstanding contracts commit the company into purchasing a total of \$nil (2020: \$4,053,712) for a fixed sterling amount. The movement in fair value on these contracts at the financial position date is a gain of £80,076 (2020: loss of £79,353), recognised with in administration costs.

20. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	32,210	18,733
Warranty provision	22,135	46,474
	<u>54,345</u>	<u>65,207</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 December 2020	18,733	46,408
Provided during year	13,477	(24,273)
	<u>32,210</u>	<u>22,135</u>

The other provision relates to warranty costs on certain product lines, expected within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2021 £	2020 £
Number:	Class:			
17,000	Ordinary		<u>17,000</u>	<u>17,000</u>

Ordinary shares have full voting rights.

22. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 December 2020	5,216,123	9,000	5,225,123
Profit for the year	884,457		884,457
Dividends	(328,045)		(328,045)
At 30 November 2021	<u>5,772,535</u>	<u>9,000</u>	<u>5,781,535</u>

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 November 2021 and 30 November 2020:

	2021 £	2020 £
Mr S A Belcher		
Balance outstanding at start of year	-	-
Amounts advanced	-	22,053
Amounts repaid	-	(22,053)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

The loan was provided interest free and was repayable on demand.

24. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Other related parties - entities controlled or jointly controlled by key management personnel

	2021 £	2020 £
Sale of an asset to a director	-	5,000
Amount due from related parties	<u>1,756,824</u>	<u>1,756,824</u>

During the year, the key management personnel are considered to be the directors' only.

25. POST BALANCE SHEET EVENTS

After the balance sheet date but before these financial statements were authorised for issue, the company declared and paid dividends totalling £280,163.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

26. ULTIMATE CONTROLLING PARTY

The company's immediate and ultimate parent company is G.J. Handy (Holdings) Limited, a private company, limited by shares and registered in England and Wales. The registered office of this company is Murdock Road, Dorcan, Swindon, Wiltshire, SN3 5HY,

The ultimate controlling party is considered to be Mr S A Belcher, being the majority shareholder of G.J. Handy (Holdings) Limited