

Dennis Williams Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2022

Dennis Williams Limited

Contents

Strategic Report	<u>1</u>
Directors' Report	<u>2</u>
Statement of Directors' Responsibilities	<u>3</u>
Independent Auditor's Report	<u>4</u> to <u>6</u>
Profit and Loss Account	<u>7</u>
Statement of Comprehensive Income	<u>8</u>
Balance Sheet	<u>9</u>
Statement of Changes in Equity	<u>10</u>
Statement of Cash Flows	<u>11</u>
Notes to the Financial Statements	<u>12</u> to <u>27</u>

Dennis Williams Limited

Strategic Report for the Year Ended 31 December 2022

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

Principal activity

The principal activity of the company is wholesale supplier of hairdressing, beauty sundries and equipment through a number of wholesale outlets.

Fair review of the business

The company continued its principal activity of the wholesale supplier of hairdressing, beauty sundries and equipment through a number of wholesale outlets. The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and the position at the year-end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face. The directors are pleased with the performance of the company despite the continuing aftermath due to the Coronavirus pandemic and other economic uncertainty caused by the global repercussions of the war in Ukraine. Strong management and quick decision-making resulted in the company being well placed to take advantage of opportunities going forward.

The balance sheet shows that the company's net assets have increased from £5.204m to £5.471m.

The company continues to invest in various new projects for the benefit of the short, medium and long term future of the business. The benefits of these investments are expected to be realised in 2023 and beyond. These investments include continuous improvement and development in all areas of the business, such as products and customer service.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Turnover	£	20,929,422	18,501,075
Gross profit	£	6,857,144	5,614,735
Gross profit margin	%	33	30
Operating profit	£	683,490	639,951

Principal risks and uncertainties

These are risks facing the business from competitors operating in the same geographic locations who principally compete on price. In addition, the general economic downturn has meant that customers may seek alternative supplies to reduce costs. The directors mitigate these risks by maintaining excellent customer relationships and ensuring the range of products available to customers is appropriate and priced competitively.

Financial risks are managed through strict internal management controls and accurate and timely management information. Stock levels and margins are also closely monitored by management to identify potential issues and ensure the products are marketed appropriately.

Approved and authorised by the Board on 29 September 2023 and signed on its behalf by:

.....

A R Lees

Director

Dennis Williams Limited

Directors' Report for the Year Ended 31 December 2022

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

Directors of the company

The directors who held office during the year were as follows:

P B Lees

A R Lees

A R Lees

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 29 September 2023 and signed on its behalf by:

.....

A R Lees

Director

Dennis Williams Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Dennis Williams Limited

Independent Auditor's Report to the Members of Dennis Williams Limited

Opinion

We have audited the financial statements of Dennis Williams Limited (the 'company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Dennis Williams Limited

Independent Auditor's Report to the Members of Dennis Williams Limited

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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.

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in evaluating the stock.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. 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 FCA, Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- obtaining a detailed understanding of the methodology adopted by management and the key assumptions underpinning the valuation of stock;
- performing a retrospective review of the previous year's stock for obsolete or slow moving stock;

Dennis Williams Limited

Independent Auditor's Report to the Members of Dennis Williams Limited

- obtaining a detailed understanding of the methodology adopted by management and the key assumptions underpinning the calculation of stock provisions;
 - performing a retrospective review of the previous year's stock provision to aid the consideration of the suitability of the methodology for the current year;
 - performing cut off testing to gain assurance that stock and revenue is included in the correct period;
 - enquiring of management concerning actual and potential litigation and claims;
 - reviewing correspondence with HMRC, FCA and the company's legal advisors;
 - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and
- other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

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

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

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

.....
Gillian Craven FCA (Senior Statutory Auditor)
For and on behalf of Watson Buckle Limited,
Statutory Auditors & Chartered Accountants
Bradford

29 September 2023

Dennis Williams Limited

Profit and Loss Account for the Year Ended 31 December 2022

		2022	(As restated) 2021
	Note	£	£
Turnover	<u>3</u>	20,929,422	18,501,075
Cost of sales		<u>(14,072,278)</u>	<u>(12,886,340)</u>
Gross profit		6,857,144	5,614,735
Administrative expenses		(6,267,700)	(5,303,571)
Other operating income	<u>4</u>	<u>94,046</u>	<u>328,787</u>
Operating profit	<u>5</u>	<u>683,490</u>	<u>639,951</u>
Gain on financial assets at fair value through profit and loss account		-	245,527
Other interest receivable and similar income	<u>7</u>	431	86
Interest payable and similar expenses	<u>8</u>	<u>(148,134)</u>	<u>(67,636)</u>
		<u>(147,703)</u>	<u>177,977</u>
Profit before tax		535,787	817,928
Taxation	<u>12</u>	<u>(68,843)</u>	<u>(140,021)</u>
Profit for the financial year		<u><u>466,944</u></u>	<u><u>677,907</u></u>

Dennis Williams Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022	(As restated)
	£	2021
		£
Profit for the year	466,944	677,907
Surplus/deficit on property, plant and equipment revaluation	-	126,484
Deferred tax movement on revaluation	-	(24,480)
	-	102,004
Total comprehensive income for the year	466,944	779,911

Dennis Williams Limited
(Registration number: 00559042)
Balance Sheet as at 31 December 2022

	Note	2022		(As restated) 2021
		£	£ £	£
Fixed assets				
Intangible assets	<u>13</u>	257,850		311,850
Tangible assets	<u>14</u>	1,529,072		1,458,066
Investment property	<u>15</u>	<u>1,749,000</u>		<u>1,749,000</u>
		3,535,922		3,518,916
Current assets				
Stocks	<u>16</u>	4,373,266		3,510,259
Debtors	<u>17</u>	4,669,782		2,575,873
Cash at bank and in hand		<u>1,853</u>		<u>570,831</u>
		9,044,901		6,656,963
Creditors: Amounts falling due within one year	<u>19</u>	<u>(5,418,198)</u>		<u>(3,186,298)</u>
Net current assets		<u>3,626,703</u>		<u>3,470,665</u>
Total assets less current liabilities		7,162,625		6,989,581
Creditors: Amounts falling due after more than one year	<u>19</u>	(1,488,947)		(1,632,130)
Provisions for liabilities	<u>21</u>	<u>(202,819)</u>		<u>(153,536)</u>
Net assets		<u><u>5,470,859</u></u>		<u><u>5,203,915</u></u>
Capital and reserves				
Called up share capital	<u>23</u>	1,800		1,800
Revaluation reserve	<u>24</u>	100,046		102,004
Non-distributable reserve		198,006		198,006
Other reserves	<u>24</u>	200		200
Profit and loss account	<u>24</u>	<u>5,170,807</u>		<u>4,901,905</u>
Total equity		<u><u>5,470,859</u></u>		<u><u>5,203,915</u></u>

Approved and authorised by the Board on 29 September 2023 and signed on its behalf by:

.....
A R Lees
Director

Dennis Williams Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital	Revaluation reserve	Non-distributable reserve	Other reserves	Profit and loss account	Total
	£	£	£	£	£	£
At 1 January 2022	1,800	102,004	198,006	200	4,901,905	5,203,915
Profit for the year	-	-	-	-	466,944	466,944
Total comprehensive income	-	-	-	-	466,944	466,944
Dividends	-	-	-	-	(200,000)	(200,000)
Transfers	-	(1,958)	-	-	1,958	-
At 31 December 2022	1,800	100,046	198,006	200	5,170,807	5,470,859
At 1 January 2021	1,800	121,139	-	200	4,300,865	4,424,004
Profit for the year	-	-	198,006	-	479,901	677,907
Other comprehensive income	-	102,004	-	-	-	102,004
Total comprehensive income	-	102,004	198,006	-	479,901	779,911
Transfers	-	(121,139)	-	-	121,139	-
At 31 December 2021	1,800	102,004	198,006	200	4,901,905	5,203,915

The notes on pages 12 to 27 form an integral part of these financial statements.
Page 10

Dennis Williams Limited

Statement of Cash Flows for the Year Ended 31 December 2022

		2022	(As restated) 2021
	Note	£	£
Cash flows from operating activities			
Profit for the year		466,944	677,907
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	198,565	171,876
Changes in fair value of investment property	<u>15</u>	-	(245,527)
Profit on disposal of tangible assets		(23,245)	(18,691)
Finance income	<u>7</u>	(431)	(86)
Finance costs	<u>8</u>	148,134	67,636
Corporation tax expense	<u>12</u>	68,843	140,021
		858,810	793,136
Working capital adjustments			
(Increase)/decrease in stocks	<u>16</u>	(863,007)	271,817
Increase in trade debtors	<u>17</u>	(2,093,909)	(898,457)
Increase/(decrease) in trade creditors	<u>19</u>	1,605,139	(343,061)
Cash generated from operations		(492,967)	(176,565)
Income taxes paid	<u>12</u>	(109,308)	(148,364)
Net cash flow from operating activities		(602,275)	(324,929)
Cash flows from investing activities			
Interest received	<u>7</u>	431	86
Acquisitions of tangible assets		(213,296)	(207,332)
Proceeds from sale of tangible assets		51,470	710,998
Net cash flows from investing activities		(161,395)	503,752
Cash flows from financing activities			
Interest paid	<u>8</u>	(148,134)	(67,636)
Repayment of bank borrowing		(128,510)	(581,664)
Repayment of other borrowing		525,044	59,030
Dividends paid		(200,000)	-
Net cash flows from financing activities		48,400	(590,270)
Net decrease in cash and cash equivalents		(715,270)	(411,447)
Cash and cash equivalents at 1 January		563,113	974,560
Cash and cash equivalents at 31 December		<u>(152,157)</u>	<u>563,113</u>

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

9 Kingsmark Freeway
Euroway Trading Estate West
Bradford
BD12 7HW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were 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.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company's functional and presentation currency is pound sterling.

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Prior period errors

A prior period error was identified in respect of long leasehold land and buildings; an element of this balance should have been classified as investment property. This has now been corrected and the impact of the adjustments made are summarised below.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
Tangible assets	-	(1,328,509)	-
Investment property	-	1,749,000	-
Provisions for liabilities	-	(72,001)	-
Revaluation reserve	-	(102,004)	-
Non-distributable reserve	-	(198,006)	-
Profit and loss account	-	(48,480)	-

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amount is £1,529,072 (2021 -£1,458,066).

Useful economic lives of intangible assets

The annual amortisation charge for intangible assets and their carrying amount is determined by the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates. The carrying amount is £257,850 (2021 -£311,850).

Stock provision

The company makes an estimate of the recoverability of the cost of stock. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of the stock. The carrying amount is £4,373,266 (2021 -£3,510,259).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and services provided in the ordinary course of the company's activities. Turnover is shown net of value added tax. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company recognises revenue when the significant risks and rewards of ownership have been transferred to the buyer; the company retains no continuing involvement or control over the goods; the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity.

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Government grants

Grants are measured at the fair value of the asset received or receivable.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Long leasehold buildings, included within land and buildings, are carried at fair value less any subsequent depreciation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold buildings	2% straight line basis / 15% straight line basis
Fixtures and fittings	15% reducing balance basis
Office equipment	15% reducing balance basis / 33% straight line basis
Motor vehicles	25% reducing balance basis

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. Valuations are based on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line basis

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the average costing (AVCO) method.

The cost of stocks comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Payments received under operating leases are recognised as income over the lease term on a straight line basis.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, 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 for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest for a similar debt instrument.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Sale of goods	18,292,663	16,528,315
Rendering of services	99,898	18,035
Rental income from investment property	188,114	190,784
Other revenue	2,348,747	1,763,941
	<u>20,929,422</u>	<u>18,501,075</u>

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022 £	2021 £
Government grants	17,298	255,539
Miscellaneous other operating income	76,748	73,248
	<u>94,046</u>	<u>328,787</u>

5 Operating profit

Arrived at after charging/(crediting)

	2022 £	(As restated) 2021 £
Depreciation expense	144,565	117,876
Amortisation expense	54,000	54,000
Profit on disposal of property, plant and equipment	<u>(23,245)</u>	<u>(18,691)</u>

6 Government grants

During the year the company has received grant income of £Nil (2021 - £255,539) in respect of the Coronavirus Job Retention Scheme.

During the year the company has received grant income of £Nil (2021 - £1,458) in respect of the SSP Grant.

During the year the company has received grant income of £14,298 (2021 - £58,543) in respect of the Council Grants.

During the year the company has received grant income of £3,000 (2021 - £1,500) in respect of the Apprenticeship Grant.

The amount of grants recognised in the financial statements was £17,298 (2021 - £255,539).

7 Other interest receivable and similar income

	2022 £	2021 £
Interest income on bank deposits	166	86
Other finance income	265	-
	<u>431</u>	<u>86</u>

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	84,500	57,059
Interest expense on other finance liabilities	63,634	10,577
	<u>148,134</u>	<u>67,636</u>

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	4,425,438	3,639,244
Social security costs	314,798	262,278
Pension costs, defined contribution scheme	90,682	82,673
	<u>4,830,918</u>	<u>3,984,195</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Administration and support	22	20
Sales	118	111
Other departments	11	11
	<u>151</u>	<u>142</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	322,384	194,126
Contributions paid to money purchase schemes	3,250	3,084
	<u>325,634</u>	<u>197,210</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2022 £	2021 £
Remuneration	<u>112,114</u>	<u>100,000</u>

11 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>21,500</u>	<u>17,793</u>

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

12 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	(As restated) 2021 £
Current taxation		
UK corporation tax	94,000	109,043
UK corporation tax adjustment to prior periods	(74,440)	-
	<u>19,560</u>	<u>109,043</u>
Deferred taxation		
Arising from origination and reversal of timing differences	23,535	(16,543)
Arising from changes in tax rates and laws	25,748	-
Arising from fair value movements through the profit or loss	-	47,521
	<u>49,283</u>	<u>30,978</u>
Total deferred taxation		
	<u>49,283</u>	<u>30,978</u>
Tax expense in the income statement	<u>68,843</u>	<u>140,021</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	(As restated) 2021 £
Profit before tax	<u>535,787</u>	<u>817,928</u>
Corporation tax at standard rate	101,800	155,406
Increase from effect of different UK tax rates on some earnings	6,055	11,405
Effect of expense not deductible in determining taxable profit (tax loss)	16,075	(8,898)
Deferred tax expense relating to changes in tax rates or laws	25,748	-
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	(74,440)	-
Tax decrease from effect of capital allowances and depreciation	(6,395)	(7,358)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	(10,534)
Total tax charge	<u>68,843</u>	<u>140,021</u>

In October 2022 the UK Government announced an increase in the main UK Corporation tax rate from 19% to 25% with effect from 1 April 2023. Deferred tax has therefore been calculated at 25%.

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accelerated capital allowances	-	132,874
Other timing differences	2,056	-
Revaluation of property, plant and equipment	-	24,480
Revaluation of investment property	-	47,521
	<u>2,056</u>	<u>204,875</u>
	Asset £	Liability £
2021		
Accelerated capital allowances	-	81,535
Revaluation of property, plant and equipment	-	24,480
Revaluation of investment property	-	47,521
	<u>-</u>	<u>153,536</u>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £110,739 (2021 - £54,001).

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

13 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2022	540,000	540,000
At 31 December 2022	540,000	540,000
Amortisation		
At 1 January 2022	228,150	228,150
Amortisation charge	54,000	54,000
At 31 December 2022	282,150	282,150
Carrying amount		
At 31 December 2022	257,850	257,850
At 31 December 2021	311,850	311,850

14 Tangible assets

	Land and buildings £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2022	1,468,014	281,486	121,828	322,779	2,194,107
Additions	1,883	44,349	15,349	182,215	243,796
Disposals	-	-	-	(106,135)	(106,135)
At 31 December 2022	1,469,897	325,835	137,177	398,859	2,331,768
Depreciation					
At 1 January 2022	281,399	148,583	88,239	217,820	736,041
Charge for the year	73,553	22,622	20,720	27,670	144,565
Eliminated on disposal	-	-	-	(77,910)	(77,910)
At 31 December 2022	354,952	171,205	108,959	167,580	802,696
Carrying amount					
At 31 December 2022	1,114,945	154,630	28,218	231,279	1,529,072
At 31 December					

2021	<u>1,186,615</u>	<u>132,903</u>	<u>33,589</u>	<u>104,959</u>	<u>1,458,066</u>
------	------------------	----------------	---------------	----------------	------------------

Included within the net book value of land and buildings above is £Nil (2021 - £Nil) in respect of freehold land and buildings and £1,114,945 (2021 - £1,186,615) in respect of long leasehold land and buildings.

Revaluation

The fair value of the company's long leasehold buildings, included within land and buildings, was revalued on 5 September 2023 by an independent valuer, Walker Singleton (Commercial) Ltd, on an open market value basis.

Had this class of asset been measured on a historical cost basis, the cost would have been £803,078 (2021 - £803,078), the aggregate accumulated depreciation would have been £64,246 (2021 - £48,185) and the aggregate carrying amount would have been £738,832 (2021 - £754,894).

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

15 Investment properties

	2022 £
At 1 January 2022	1,749,000

The investment property was valued on the 5th September 2023 by Walker Singleton (Commercial) Ltd. The valuation was based on an open market value basis. The historical cost for this class of assets is £1,558,917 (2021 - £1,558,917).

Carrying amount of investment property rented to another group entity

The carrying amount of investment property rented to another group entity was £ 1,749,000 (2021 - £1,749,000) .

16 Stocks

	2022 £	2021 £
Stocks	4,373,266	3,510,259

Impairment of stocks

The amount of impairment loss included in profit or loss is £(18,562) (2021 - £Nil).

17 Debtors

	2022 £	2021 £
Current		
Trade debtors	3,499,514	526,534
Other debtors	826,278	1,769,617
Prepayments	343,990	279,722
	4,669,782	2,575,873

18 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	261	235
Cash at bank	1,592	15,166
Short-term deposits	-	555,430
	1,853	570,831
Bank overdrafts	(154,010)	(7,718)
Cash and cash equivalents in statement of cash flows	(152,157)	563,113

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

19 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>20</u>	908,639	192,130
Trade creditors		3,245,502	1,784,953
Social security and other taxes		574,721	547,346
Other creditors		285,465	223,953
Accruals		384,576	328,873
Corporation tax liability	<u>12</u>	19,295	109,043
		<u>5,418,198</u>	<u>3,186,298</u>
Due after one year			
Loans and borrowings	<u>20</u>	<u>1,488,947</u>	<u>1,632,130</u>

20 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	140,056	125,383
Bank overdrafts	154,010	7,718
Hire purchase contracts	30,500	-
Other borrowings	<u>584,073</u>	<u>59,029</u>
	<u>908,639</u>	<u>192,130</u>
Non-current loans and borrowings		
Bank borrowings	<u>1,488,947</u>	<u>1,632,130</u>

Bank borrowings

Bank loan is denominated in £ with a nominal interest rate of 5.15%. The carrying amount at year end is £1,629,003 (2021 - £1,757,513).

The bank loan is secured by way of a first legal charge dated 10 April 2019 over the company's leasehold property.

Bank overdraft is denominated in £ with a nominal interest rate of 0%. The carrying amount at year end is £154,010 (2021 - £7,718).

The bank overdraft is secured on the leasehold land and building as well as a general charge over all the assets of the company.

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Other borrowings

Hire purchase contracts is denominated in £ with a nominal interest rate of 0.64%, and the final instalment is due on 31 October 2025. The carrying amount at year end is £30,500 (2021 - £Nil).

The liability is secured against the asset to which it relates.

The company has repaid this borrowing in full after the year end.

21 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2022	153,536	153,536
Increase (decrease) in existing provisions	49,283	49,283
At 31 December 2022	202,819	202,819

22 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £90,682 (2021 - £82,673).

23 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary A of £1 each	1,400	1,400	1,400	1,400
Ordinary C of £1 each	400	400	400	400
	1,800	1,800	1,800	1,800

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank pari passu for income, capital and voting rights.

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

24 Reserves

Share capital

Represents the nominal value of issued shares.

Revaluation reserve

Represents the surplus/(deficit) on the revaluation of the land and buildings. Revaluation reserves are non-distributable and net of tax.

Non-distributable reserve

Represents the surplus/(deficit) on the revaluation of investment properties. This reserve is non-distributable and is net of tax.

Other reserve

The other reserve represents the nominal value of shares repurchased by the company.

Profit and loss account

Includes all current and prior periods distributable profits and losses.

25 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	30,500	-

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	284,270	338,243
Later than one year and not later than five years	162,253	302,130
Later than five years	59,477	105,806
	<u>506,000</u>	<u>746,179</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £308,992 (2021 - £275,750).

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	48,260	190,784
Later than one year and not later than five years	-	48,260
	<u>48,260</u>	<u>239,044</u>

Total contingent rents recognised as income in the period are £187,114 (2021 - £190,784).

26 Analysis of changes in net debt

	At 1 January 2022 £	Financing cash flows £	New finance leases £	At 31 December 2022 £
Cash and cash equivalents				
Cash	570,831	(568,978)	-	1,853
Overdrafts	(7,718)	(146,292)	-	(154,010)
	<u>563,113</u>	<u>(715,270)</u>	<u>-</u>	<u>(152,157)</u>
Borrowings				
Long term borrowings	(1,632,130)	143,183	-	(1,488,947)
Short term borrowings	(192,130)	(686,009)	(30,500)	(908,639)
	<u>(1,824,260)</u>	<u>(542,826)</u>	<u>(30,500)</u>	<u>(2,397,586)</u>
	<u>(1,261,147)</u>	<u>(1,258,096)</u>	<u>(30,500)</u>	<u>(2,549,743)</u>

27 Related party transactions

Income and receivables from related parties

	Other related parties £
2022	
Sale of goods	9,769,516
Management charges receivable	2,348,748
Rental income receivable	143,303
Amounts receivable from related party	<u>2,162,296</u>
	Other related parties £
2021	
Sale of goods	8,385,990
Management charges receivable	1,763,941
Rental income receivable	138,607
Amounts receivable from related party	<u>1,597,931</u>

Dennis Williams Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Expenditure with and payables to related parties

	Key management	Other related parties
	£	£
2022		
Purchase of goods	-	55,325
Interest payable	63,635	-
Rent payable	111,042	-
Amounts payable to related party	627,150	-
	Key management	Other related parties
	£	£
2021		
Purchase of goods	-	153,187
Interest payable	10,568	-
Rent payable	100,917	-
Amounts payable to related party	58,375	-

28 Financial instruments

Categorisation of financial instruments

	2022	2021
	£	£
Financial assets measured at fair value through profit or loss	1,749,000	1,749,000

Financial assets measured at fair value

Investment property

The fair value of the investment property has been determined from the current market prices for comparable real estate determined annually. Valuations are based on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The net gain/(loss) included in the profit or loss is £Nil (2021 - £245,527).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.