

G H BROOKS & CO (HARROGATE) LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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G H BROOKS & CO (HARROGATE) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

DIRECTORS:

Mr J P Broadwith
Mrs J Broadwith
Mr A J Broadwith
Mr J Dawson

REGISTERED OFFICE:

Hartwith House
Claro Road
Harrogate
North Yorkshire
HG1 4DS

REGISTERED NUMBER:

00646437 (England and Wales)

INDEPENDENT AUDITORS:

DSC Accountants Ltd
Chartered Accountants
Statutory Auditors
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

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

The directors present their strategic report for the year ended 30 September 2021.

REVIEW OF BUSINESS

Trading during the year has been very encouraging with an increase in turnover in excess of 21% against a backdrop of uncertainty created by the ongoing Covid 19 pandemic. Constraints in the supply chain, and the resulting price volatility, led to a small decline in gross profit margins.

The directors are very satisfied with the results for the year given the circumstances and are encouraged about the long-term prospects for the future.

The company has taken advantage of the exemptions available to medium sized companies concerning key performance indicators.

PRINCIPAL RISKS AND UNCERTAINTIES

Given the nature of the market in which the company operates, there is a degree of risk of bad debts but the directors are confident that the policies they have implemented help to mitigate those risks. The Covid 19 pandemic has also created uncertainties within the industry and the economy as a whole but the directors believe that the company is well equipped to deal with these and to minimise the risks to the business..

ON BEHALF OF THE BOARD:

Mr J P Broadwith - Director

20 June 2022

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

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

DIVIDENDS

Interim dividends per share were paid as follows:

£40.50	- 16 October 2020
£600	- 16 June 2021
£45	- 30 September 2021
<u>£685.50</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2021 will be £ 1,371,000 .

FUTURE DEVELOPMENTS

Since the year end, trading continues to be strong. Supply constraints and price inflation continue to create uncertainties but the company is well placed to limit their potential impact. The directors are not intending to make any significant changes to the nature of the business in the near future.

DIRECTORS

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

Mr J P Broadwith
Mrs J Broadwith
Mr A J Broadwith
Mr J Dawson

CHARITABLE DONATIONS

During the year the company made numerous charitable donations totalling £14,818. The company is particularly supportive of St Michael's Hospice, a locally based charity in Harrogate, which helps to improve the lives of people affected by terminal illness.

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.

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

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.

AUDITORS

The auditors, DSC Accountants Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr J P Broadwith - Director

20 June 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF G H BROOKS & CO (HARROGATE) LIMITED

Opinion

We have audited the financial statements of G H Brooks & Co (Harrogate) Limited (the 'company') for the year ended 30 September 2021 which comprise the Profit and loss account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 September 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 H BROOKS & CO (HARROGATE) LIMITED

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 three, 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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and the inspection of regulatory and legal correspondence. We addressed the risk of management override of internal controls, including testing journals and estimates and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud and the completeness of income recognition by testing from despatch documentation. We did not identify any key audit matters relating to irregularities, including fraud.

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
G H BROOKS & CO (HARROGATE) LIMITED**

Use of our report

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

Graham French (Senior Statutory Auditor)
for and on behalf of DSC Accountants Ltd
Chartered Accountants
Statutory Auditors
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

20 June 2022

G H BROOKS & CO (HARROGATE) LIMITED (REGISTERED NUMBER: 00646437)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER		18,852,936	15,554,171
Cost of sales		<u>12,900,432</u>	<u>10,243,660</u>
GROSS PROFIT		5,952,504	5,310,511
Administrative expenses		<u>3,359,143</u>	<u>3,027,694</u>
		2,593,361	2,282,817
Other operating income		<u>147,420</u>	<u>147,954</u>
OPERATING PROFIT	4	2,740,781	2,430,771
Interest receivable and similar income		<u>-</u>	<u>22</u>
		2,740,781	2,430,793
Interest payable and similar expenses	5	<u>3,465</u>	<u>13,185</u>
PROFIT BEFORE TAXATION		2,737,316	2,417,608
Tax on profit	6	<u>605,208</u>	<u>480,547</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,132,108</u>	<u>1,937,061</u>

The notes form part of these financial statements

G H BROOKS & CO (HARROGATE) LIMITED (REGISTERED NUMBER: 00646437)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		2,132,108	1,937,061
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,132,108</u>	<u>1,937,061</u>

The notes form part of these financial statements

G H BROOKS & CO (HARROGATE) LIMITED (REGISTERED NUMBER: 00646437)**BALANCE SHEET
30 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	8		2,020,075		2,301,946
Tangible assets	9		2,562,659		2,635,626
Investments	10		2,750		2,750
Investment property	11		<u>250,000</u>		<u>250,000</u>
			4,835,484		5,190,322
CURRENT ASSETS					
Stocks	12	2,599,518		1,865,157	
Debtors	13	3,165,428		2,901,005	
Cash at bank and in hand		<u>2,352,733</u>		<u>1,812,410</u>	
		8,117,679		6,578,572	
CREDITORS					
Amounts falling due within one year	14	<u>3,562,933</u>		<u>3,179,772</u>	
NET CURRENT ASSETS			<u>4,554,746</u>		<u>3,398,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,390,230		8,589,122
PROVISIONS FOR LIABILITIES	15		<u>175,000</u>		<u>135,000</u>
NET ASSETS			<u>9,215,230</u>		<u>8,454,122</u>
CAPITAL AND RESERVES					
Called up share capital	16		2,000		2,000
Retained earnings	17		<u>9,213,230</u>		<u>8,452,122</u>
SHAREHOLDERS' FUNDS			<u>9,215,230</u>		<u>8,454,122</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 June 2022 and were signed on its behalf by:

Mr J P Broadwith - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2019	2,000	6,706,061	6,708,061
Changes in equity			
Dividends	-	(191,000)	(191,000)
Total comprehensive income	-	1,937,061	1,937,061
Balance at 30 September 2020	<u>2,000</u>	<u>8,452,122</u>	<u>8,454,122</u>
Changes in equity			
Dividends	-	(1,371,000)	(1,371,000)
Total comprehensive income	-	2,132,108	2,132,108
Balance at 30 September 2021	<u>2,000</u>	<u>9,213,230</u>	<u>9,215,230</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	2,521,128	3,579,497
Interest paid		(3,465)	-
Interest element of hire purchase or finance lease rental payments paid		-	(13,185)
Tax paid		(722,279)	(490,000)
Net cash from operating activities		<u>1,795,384</u>	<u>3,076,312</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(164,026)	(217,794)
Sale of tangible fixed assets		42,000	57,500
Interest received		-	22
Net cash from investing activities		<u>(122,026)</u>	<u>(160,272)</u>
Cash flows from financing activities			
Loans to/from group undertakings		(53,005)	(1,425,157)
Capital repayments in year		-	(143,777)
Amount introduced by directors		1,311,475	41,000
Amount withdrawn by directors		(1,020,505)	(481,336)
Equity dividends paid		(1,371,000)	(191,000)
Net cash from financing activities		<u>(1,133,035)</u>	<u>(2,200,270)</u>
Increase in cash and cash equivalents		<u>540,323</u>	<u>715,770</u>
Cash and cash equivalents at beginning of year	2	1,812,410	1,096,640
Cash and cash equivalents at end of year	2	<u>2,352,733</u>	<u>1,812,410</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Profit before taxation	2,737,316	2,417,608
Depreciation charges	490,124	487,246
Profit on disposal of fixed assets	(13,260)	(2,897)
Finance costs	3,465	13,185
Finance income	-	(22)
	<u>3,217,645</u>	<u>2,915,120</u>
Increase in stocks	(734,361)	(204,278)
(Increase)/decrease in trade and other debtors	(179,083)	580,831
Increase in trade and other creditors	<u>216,927</u>	<u>287,824</u>
Cash generated from operations	<u><u>2,521,128</u></u>	<u><u>3,579,497</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2021

	30.9.21 £	1.10.20 £
Cash and cash equivalents	<u>2,352,733</u>	<u>1,812,410</u>

Year ended 30 September 2020

	30.9.20 £	1.10.19 £
Cash and cash equivalents	<u>1,812,410</u>	<u>1,096,640</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.20 £	Cash flow £	At 30.9.21 £
Net cash			
Cash at bank and in hand	<u>1,812,410</u>	<u>540,323</u>	<u>2,352,733</u>
	<u>1,812,410</u>	<u>540,323</u>	<u>2,352,733</u>
Total	<u><u>1,812,410</u></u>	<u><u>540,323</u></u>	<u><u>2,352,733</u></u>

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

1. STATUTORY INFORMATION

G H Brooks & Co (Harrogate) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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 as modified by the revaluation of certain assets.

G H Brooks & Co (Harrogate) Ltd is a private company limited by shares registered in England.

The financial statements are prepared in sterling and are rounded to the nearest pound.

Preparation of consolidated financial statements

The financial statements contain information about G H Brooks & Co (Harrogate) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, G H Brooks & Co (Holdings) Ltd, Hartwith House, Claro Road, Harrogate HG1 4DS.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill and business combinations

Goodwill, being the amount paid in connection with the acquisition of a business in 2018, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life:

Freehold property	2% on cost
Plant and machinery	20% on reducing balance
Fixtures and fittings	20% on reducing balance
Computer equipment	20% on cost
Motor vehicles	20% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

2. ACCOUNTING POLICIES - continued

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash at bank and in hand

Cash at bank and in hand represents cash and short-term highly liquid funds.

Creditors

Creditors are recognised when the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,753,912	1,596,856
Social security costs	188,924	171,185
Other pension costs	23,221	22,022
	<u>1,966,057</u>	<u>1,790,063</u>

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

2021	2020
<u>41</u>	<u>40</u>

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

3. EMPLOYEES AND DIRECTORS - continued

	2021	2020
	£	£
Directors' remuneration	573,245	548,209
Directors' pension contributions to money purchase schemes	<u>2,355</u>	<u>2,923</u>

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

	2021	2020
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	323,162	237,093
Pension contributions to money purchase schemes	<u>1,317</u>	<u>1,314</u>

4. OPERATING PROFIT

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

	2021	2020
	£	£
Other operating leases	62,000	62,750
Depreciation - owned assets	208,253	205,375
Profit on disposal of fixed assets	(13,260)	(2,897)
Goodwill amortisation	281,871	281,871
Auditors' remuneration	<u>10,000</u>	<u>3,850</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Interest on tax	3,465	-
Hire purchase	<u>-</u>	<u>13,185</u>
	<u>3,465</u>	<u>13,185</u>

6. 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	565,208	480,547
Deferred tax	40,000	-
Tax on profit	<u>605,208</u>	<u>480,547</u>

UK corporation tax has been charged at 19% .

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

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit before tax	<u>2,737,316</u>	<u>2,417,608</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	520,090	459,346
Effects of:		
Expenses not deductible for tax purposes	2,145	2,649
Depreciation in excess of capital allowances	53,656	61,210
Other tax adjustments	-	(14,408)
Deferred tax	40,000	-
Group relief	<u>(10,683)</u>	<u>(28,250)</u>
Total tax charge	<u>605,208</u>	<u>480,547</u>

7. DIVIDENDS

	2021 £	2020 £
Ordinary shares shares of £1 each Interim	<u>1,371,000</u>	<u>191,000</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 October 2020 and 30 September 2021	<u>2,818,710</u>
AMORTISATION	
At 1 October 2020	516,764
Amortisation for year	<u>281,871</u>
At 30 September 2021	<u>798,635</u>
NET BOOK VALUE	
At 30 September 2021	<u>2,020,075</u>
At 30 September 2020	<u>2,301,946</u>

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

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 October 2020	2,417,645	461,142	279,681	1,088,048	4,246,516
Additions	-	20,150	2,493	141,383	164,026
Disposals	-	(110,908)	(76,004)	(51,652)	(238,564)
At 30 September 2021	<u>2,417,645</u>	<u>370,384</u>	<u>206,170</u>	<u>1,177,779</u>	<u>4,171,978</u>
DEPRECIATION					
At 1 October 2020	449,813	331,153	225,166	604,758	1,610,890
Charge for year	48,353	29,734	11,494	118,672	208,253
Eliminated on disposal	-	(109,440)	(75,178)	(25,206)	(209,824)
At 30 September 2021	<u>498,166</u>	<u>251,447</u>	<u>161,482</u>	<u>698,224</u>	<u>1,609,319</u>
NET BOOK VALUE					
At 30 September 2021	<u>1,919,479</u>	<u>118,937</u>	<u>44,688</u>	<u>479,555</u>	<u>2,562,659</u>
At 30 September 2020	<u>1,967,832</u>	<u>129,989</u>	<u>54,515</u>	<u>483,290</u>	<u>2,635,626</u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 October 2020 and 30 September 2021	<u>1,000</u>	<u>1,750</u>	<u>2,750</u>
NET BOOK VALUE			
At 30 September 2021	<u>1,000</u>	<u>1,750</u>	<u>2,750</u>
At 30 September 2020	<u>1,000</u>	<u>1,750</u>	<u>2,750</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Galtres Timber Ltd

Registered office: England

Nature of business: Dormant

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>1,000</u>	<u>1,000</u>

Fixed asset investments are valued at cost. In the directors' opinion the market value of the investments is not materially different to cost.

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

11. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 October 2020 and 30 September 2021	<u>250,000</u>
NET BOOK VALUE	
At 30 September 2021	<u>250,000</u>
At 30 September 2020	<u>250,000</u>
Fair value at 30 September 2021 is represented by:	
	£
Valuation in 2014	42,622
Valuation in 2018	35,000
Cost	<u>172,378</u>
	<u>250,000</u>

If the investment property had not been revalued it would have been included at the following historical cost:

	2021 £	2020 £
Cost	<u>172,378</u>	<u>172,378</u>

The investment property was valued on an open market basis on 30 September 2021 by the directors .

12. STOCKS

	2021 £	2020 £
Stocks	<u>2,599,518</u>	<u>1,865,157</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,666,025	2,339,955
Other debtors	332,235	466,465
Directors' current accounts	54,365	30,475
Tax	75,858	14,408
Prepayments and accrued income	<u>36,945</u>	<u>49,702</u>
	<u>3,165,428</u>	<u>2,901,005</u>

Included within debtors are interest-free loans to the directors. Full details are shown in note 20 of the accounts.

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,744,025	1,268,562
Amounts owed to group undertakings	553,338	606,343
Tax	285,208	380,829
Social security and other taxes	459,158	287,601
Other creditors	6,052	6,010
Directors' current accounts	384,432	69,572
Accruals and deferred income	130,720	560,855
	<u>3,562,933</u>	<u>3,179,772</u>

15. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	<u>175,000</u>	<u>135,000</u>
		Deferred tax
		£
Balance at 1 October 2020		135,000
Provided during year		<u>40,000</u>
Balance at 30 September 2021		<u>175,000</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
2,000	Ordinary shares	£1	<u>2,000</u>	<u>2,000</u>

17. RESERVES

	Retained earnings
	£
At 1 October 2020	8,452,122
Profit for the year	2,132,108
Dividends	<u>(1,371,000)</u>
At 30 September 2021	<u>9,213,230</u>

Distributable reserves amount to £9,135,608.

18. ULTIMATE PARENT COMPANY

G H Brooks & Co (Holdings) Ltd (incorporated in England) is regarded by the directors as being the company's ultimate parent company.

The registered office of the parent company is Hartwith House, Claro Road, Harrogate HG1 4DS.

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

19. CONTINGENT LIABILITIES

There is a cross guarantee and debenture dated 19 November 2018 between the company and G H Brooks & Co (Holdings) Ltd in respect of the bank loans outstanding in the financial statements of G H Brooks & Co (Holdings) Ltd. The value of the outstanding loans at the year end are £2,015,696 (2020: £2,110,843).

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 September 2021 and 30 September 2020:

	2021 £	2020 £
Mrs J Broadwith		
Balance outstanding at start of year	-	2,190
Amounts advanced	40,271	-
Amounts repaid	(640)	(2,190)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>39,631</u>	<u>-</u>
Mr A J Broadwith		
Balance outstanding at start of year	30,475	26,895
Amounts advanced	14,735	3,580
Amounts repaid	(30,475)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>14,735</u>	<u>30,475</u>

21. RELATED PARTY DISCLOSURES

During the year the company paid rent of £62,000 to The G H Brooks & Co (Harrogate) Ltd Pension Scheme, a scheme of which the directors Mr J P Broadwith and Mrs J Broadwith are beneficiaries.

22. ULTIMATE CONTROLLING PARTY

The controlling party is Mr J P Broadwith.

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