REGISTERED NUMBER: 01172728 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

PAUL MURRAY P.L.C.

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:	P T Murray K J Murray S C Coatham M Cox N B Hayton L Hadaway M J Murray G L Robertson C Eastwood T P Eastwood
SECRETARY:	S C Coatham
REGISTERED OFFICE:	Wide Lane Southampton Hampshire SO18 2FA
REGISTERED NUMBER:	01172728 (England and Wales)
AUDITORS:	Rothmans Audit LLP Chartered Accountants & Statutory Auditors Avebury House St Peter Street Winchester Hampshire SO23 8BN

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

REVIEW OF BUSINESS
The principal activity of the company continued to be that of a supplier of brands of health, beauty and nursery products to the retail wholesale and online channels. Sales are made predominantly in the United Kingdom and Ireland.

In the year, the company achieved sales of £24,666,809 (2021: £25,021,455). The total sales including agency sales were £26,770,828 (2021: £30,140,588).

The directors continue to adopt a going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES
The directors will continue to seek to expand the company's product range and customer base to ensure the company remains in a strong position to capitalise on its investment in the business operational framework, to take advantage of market improvements and to withstand any external economic pressures.

The establishment of Murrays Health and Beauty Europe Limited, a wholly owned Irish subsidiary of Paul Murray plc, has facilitated the sales to our customers in Ireland and significantly reduced the effect of Brexit on both the company and its customers. The recently agreed Windsor framework is not expected to impact the company's sales to Northern Ireland.

The profitability of goods purchased from Asia is affected by exchange rates and by fluctuations in freight costs. These did reduce margins on such goods in 2022 and the directors have taken steps to minimise their impact in future by the consolidation of supplies and the use of currency contracts.

SECTION 172(1) STATEMENT
The directors of the company, as those of all UK companies, must act in accordance with a set of general duties. These duties are set out in section 172 of the Companies Act 2006 and can be summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the company.

A new director is briefed on their duties and can access professional advice on these -either through the company or, if they deem it appropriate, through professional advisers.

The company is committed to be a responsible business and our behaviour is aligned with the expectations of our stakeholders, which include our employees, customers, suppliers, local community and our shareholders. In addition to monthly board meetings, the directors attend off site days annually or whenever the business need arises to discuss the business and its future considering the needs of all its stakeholders. The directors met regularly throughout the Covid 19 crisis to ensure they fully considered its impact on its business and stakeholders and to take appropriate decisions. Employee safety has been the company's main concern throughout.

The directors are committed to supply chain security and, during 2019, were awarded Authorised Economic Operator status by HM Customs and Excise and granted membership of the global Transported Asset Protection Association (TAPA). This has clear benefits for our employees, suppliers and customers in demonstrating the company operates a safe working environment with full traceability of all goods. The company's premises are situated near to local housing and the directors take seriously its responsibility to the local community, including a Design Out Crime agreement with Hampshire Constabulary covering site security and build design. The company has a Lorry Routing Management Plan to reduce congestion and its impact on the local road system. In view of its location near to Southampton Airport, it has a Bird Hazard Management Plan agreed with the Civil Aviation Authority to preserve public health and public safety.

The company and its employees have continued to support the Trinity Winchester charity for the care of the homeless and the Southampton City Mission foodbanks.

KEY PERFORMANCE INDICATORS
The key financial highlights of the company's activities are:

	2022	2021	2020	2019	2018
£ £	£	£	£		
Turnover reported in the financial statements	24,666,809	25,021,455	20,890,200	18,263,319	17,011,771
Turnover including agency sales	26,770,828	30,140,588	39,522,931	32,591,016	26,544,809
Gross profit margin	28.9%	32.0%	40.5%	39.4%	38.8%
Profit before tax	888,126	1,736,300	2,027,468	1,390,242	1,261,881

OTHER PERFORMANCE INDICATORS
The company's ongoing strategies are to improve turnover and to protect and increase its share of the market whilst protecting margins. During 2022 the company's largest agency agreement ended which led to an immediate reduction in sales but steps have been taken to increase sales elsewhere. The directors expect that the company will continue to grow in 2023 and future years.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for, and finance, the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks, applicable to the financial statements concerned, is shown below:

In respect of bank balances the liquidity risk is managed by maintaining a balance between long term loans and the use of overdrafts at floating rates of interest.

Trade debtors are managed, in respect of credit and cash flow risk, by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

POLICY ON THE PAYMENT OF CREDITORS

Payment is generally made by the company to its creditors in accordance with agreed terms of business. It is the policy of the company that all invoices issued by suppliers are paid within 30 days following the end of the month in which the invoices are received. In the case of certain overseas suppliers, the terms of business with the company are such that payments may be made at an earlier time. The total amount of trade creditors as at 31 December 2022 represents 19 days (2021: 26 days) as a proportion of the amount invoiced by suppliers during the year ended on that date.

ON BEHALF OF THE BOARD:

P T Murray - Director

24 May 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS
During the year dividends of £935,050 (2021: £1,013,885) were paid by the company.

FUTURE DEVELOPMENTS
The company has had marked success over the last few years in distributing UK branded goods to its customers. After careful research, the company continues to enter into agreements for the distribution of additional brands within the health and beauty sector and has had considerable success in developing brands in the UK marketplace.

During 2022 it has entered into a number of new contracts with large retailers to fulfil orders taken on their websites and expects this part of the business to grow in 2023 and beyond.

The company continues to increase the distribution of its own brands, which contribute significantly to the company's profitability, and to developing own label brands with customers.

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 January 2022 to the date of this report.

P T Murray
K J Murray
S C Coatham
M Cox
N B Hayton
L Hadaway
M J Murray
G L Robertson
C Eastwood
T P Eastwood

DISCLOSURE IN THE STRATEGIC REPORT
In accordance with the Companies Act 2006, s414C(11), information in respect of business activities and risk are shown within the Strategic Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

AUDITORS

The auditors, Rothmans Audit LLP, will be proposed for appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P T Murray - Director

24 May 2023

Opinion
We have audited the financial statements of Paul Murray p.l.c. (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 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.

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 Directors' Responsibilities Statement set out on page six, 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud
The objectives of our audit, in respect to fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures include the following:

- 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;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and those laws and regulations that had a direct effect on the financial statements. The key laws considered are FRS102 and the Companies Act 2006.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the 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.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries during the year and at the year-end to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions;

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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing legal and professional expenditure incurred in the year.

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 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.

Susan Sullivan FCA (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP
Chartered Accountants & Statutory Auditors
Avebury House
St Peter Street
Winchester
Hampshire
SO23 8BN

25 May 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
TURNOVER	3		24,666,809		25,021,455
Cost of sales			17,516,864		17,016,414
GROSS PROFIT			7,149,945		8,005,041
Distribution costs		3,931,853		3,690,449	
Administrative expenses		2,299,245		2,558,584	
			6,231,098		6,249,033
			918,847		1,756,008
Other operating income			-		(11,191)
OPERATING PROFIT	5		918,847		1,744,817
Interest payable and similar expenses	7		30,721		8,517
PROFIT BEFORE TAXATION			888,126		1,736,300
Tax on profit	8		178,260		328,953
PROFIT FOR THE FINANCIAL YEAR			709,866		1,407,347
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			709,866		1,407,347

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	10		822,521		846,030
Investments	11		1		1
			822,522		846,031
CURRENT ASSETS					
Stocks	12	5,931,258		5,565,106	
Debtors	13	4,350,029		4,156,064	
Cash at bank		127,496		256,746	
		10,408,783		9,977,916	
CREDITORS					
Amounts falling due within one year	14	5,284,196		4,682,594	
NET CURRENT ASSETS			5,124,587		5,295,322
TOTAL ASSETS LESS CURRENT LIABILITIES			5,947,109		6,141,353
PROVISIONS FOR LIABILITIES	19		110,906		79,966
NET ASSETS			5,836,203		6,061,387
CAPITAL AND RESERVES					
Called up share capital	20		100,000		100,000
Retained earnings	21		5,736,203		5,961,387
SHAREHOLDERS' FUNDS			5,836,203		6,061,387

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2023 and were signed on its behalf by:

P T Murray - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	100,000	5,567,925	5,667,925
Changes in equity			
Profit for the year	-	1,407,347	1,407,347
Total comprehensive income	-	1,407,347	1,407,347
Dividends	-	(1,013,885)	(1,013,885)
Balance at 31 December 2021	100,000	5,961,387	6,061,387
Changes in equity			
Profit for the year	-	709,866	709,866
Total comprehensive income	-	709,866	709,866
Dividends	-	(935,050)	(935,050)
Balance at 31 December 2022	100,000	5,736,203	5,836,203

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(243,606)	(368,074)
Interest paid		(30,721)	(8,517)
Tax paid		(298,026)	(287,517)
Net cash from operating activities		(572,353)	(664,108)
Cash flows from investing activities			
Purchase of tangible fixed assets		(122,546)	(258,708)
Purchase of fixed asset investments		-	(1)
Loans to related companies		(19,013)	(65,804)
Loans repaid by related companies		4,249	-
Net cash from investing activities		(137,310)	(324,513)
Cash flows from financing activities			
Equity dividends paid		(935,050)	(1,013,885)
Net cash from financing activities		(935,050)	(1,013,885)
Decrease in cash and cash equivalents		(1,644,713)	(2,002,506)
Cash and cash equivalents at beginning of year	2	(580,931)	1,421,575
Cash and cash equivalents at end of year	2	(2,225,644)	(580,931)

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit for the financial year	709,866	1,407,347
Depreciation charges	146,055	164,445
Finance costs	30,721	8,517
Taxation	178,260	328,953
	1,064,902	1,909,262
Increase in stocks	(366,152)	(492,798)
Increase in trade and other debtors	(179,201)	(1,280,120)
Decrease in trade and other creditors	(763,155)	(504,418)
Cash generated from operations	(243,606)	(368,074)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	127,496	256,746
Bank overdrafts	(2,353,140)	(837,677)
	(2,225,644)	(580,931)

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	256,746	1,544,383
Bank overdrafts	(837,677)	(122,808)
	(580,931)	1,421,575

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	256,746	(129,250)	127,496
Bank overdrafts	(837,677)	(1,515,463)	(2,353,140)
	(580,931)	(1,644,713)	(2,225,644)
Total	(580,931)	(1,644,713)	(2,225,644)

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Paul Murray p.l.c. is a private company , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006 and under the historical cost convention and in accordance with applicable accounting standards.

These financial statements contain information about Paul Murray PLC as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as its subsidiary can be excluded from consolidation on the grounds that it is immaterial.

Paul Murray PLC is a subsidiary of Metro Gold Limited and the results of Paul Murray PLC are included in the consolidated financial statements of Metro Gold Limited which are available to the public and can be obtained from the company's registered office as stated above.

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

Preparation of consolidated financial statements
The financial statements contain information about Paul Murray p.l.c. 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, Metro Gold Limited, Wide Lane, Southampton, England, SO18 2FA.

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

The accounting policies requiring the most judgement within the financial statements are those relating to stock valuation and accounting for sales and purchases under agency agreements.

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

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover
Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers for the sale of non-pharmaceutical products, surgical goods, cosmetics, fragrances, and toiletries in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

The company has entered into agreements with some of its suppliers to act as their agent in the supply of their goods. Commission is receivable in respect of sales made under agency agreements and is recognised within turnover shown in the profit and loss account. Revenue is recognised at the point of dispatch of the product.

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

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

Tangible fixed assets are stated at cost, being purchase price together with any incidental costs of acquisition, less accumulated depreciation. Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Tenants improvements	straight line over 15 years
Fixtures and fittings	25% reducing balance and straight line over 3 or 15 years
Equipment	25% straight line
Motor vehicles	25% reducing balance

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

continued...

2. **ACCOUNTING POLICIES - continued**

Impairment of fixed assets

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

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

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

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

Investments in subsidiaries

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

continued...

2. **ACCOUNTING POLICIES - continued**

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

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

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

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

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis and provision is made for obsolete and slow moving items.

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

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

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

continued...

2. **ACCOUNTING POLICIES - continued**

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

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

Basic financial liabilities
Basic financial liabilities, including trade and other payables, bank borrowings, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

continued...

2. ACCOUNTING POLICIES - continued

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

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

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

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

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax
Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessment in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies
Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Hire purchase and leasing commitments
Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

continued...

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year in accordance with the rules of the fund. The assets of the scheme are held separately from these of the company in an independently administered fund.

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

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

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

3. TURNOVER

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

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Sale of goods	23,426,606	22,385,940
Commission receipts	1,240,203	2,635,515
	24,666,809	25,021,455

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	23,824,368	24,210,349
Europe	691,756	627,346
Rest of the World	150,685	183,760
	24,666,809	25,021,455

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,576,254	3,655,911
Social security costs	425,293	408,189
Other pension costs	118,081	119,604
	4,119,628	4,183,704

continued...

4. **EMPLOYEES AND DIRECTORS - continued**

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

	2022	2021
Operations	70	76
Administrative	16	22
Directors	10	10
	96	108

	2022	2021
	£	£
Directors' remuneration for qualifying services	728,823	731,203
Directors' pension contributions to money purchase schemes	24,467	22,848

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

	2022	2021
Money purchase schemes	6	6

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Director's remuneration for qualifying services	128,952	127,243
Director's pension contributions to money purchase schemes	6,442	6,139

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Other operating leases	445,877	432,473
Depreciation - owned assets	146,055	164,446
Foreign exchange differences	51,413	11,191
Vehicle leasing	157,288	169,888

6. **AUDITORS' REMUNERATION**

	2022	2021
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	20,250	17,500
Auditors' remuneration for non audit work	4,550	3,950

continued...

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank loan interest	30,721	8,517

All interest payable relates to bank loans and overdrafts, which are financial liabilities measured at amortised cost.

8. TAXATION

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	147,320	324,266
Deferred tax	30,940	4,687
Tax on profit	178,260	328,953

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:

	2022	2021
	£	£
Profit before tax	888,126	1,736,300
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	168,744	329,897
Effects of:		
Expenses not deductible for tax purposes	(165)	14,926
Adjustments to tax charge in respect of previous periods	-	205
Utilisation of Group Losses	(10,404)	(9,857)
Super Deduction increasing Capital Allowances	(6,533)	(6,218)
Change in rate of deferred tax from 19pc to 25pc	26,618	-
Total tax charge	178,260	328,953

9. DIVIDENDS

During the year dividends of £935,050 (2021: £1,013,885) were paid by the company.

continued...

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2022	489,096	578,777	21,200	304,785	1,393,858
Additions	7,926	14,891	-	99,729	122,546
Disposals	-	(4,578)	-	-	(4,578)
At 31 December 2022	497,022	589,090	21,200	404,514	1,511,826
DEPRECIATION					
At 1 January 2022	90,013	254,458	20,437	182,920	547,828
Charge for year	32,958	51,938	200	60,959	146,055
Eliminated on disposal	-	(4,578)	-	-	(4,578)
At 31 December 2022	122,971	301,818	20,637	243,879	689,305
NET BOOK VALUE					
At 31 December 2022	374,051	287,272	563	160,635	822,521
At 31 December 2021	399,083	324,319	763	121,865	846,030

11. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1 January 2022 and 31 December 2022	1
NET BOOK VALUE	
At 31 December 2022	1
At 31 December 2021	1

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Murrays Health & Beauty Europe Limited
Registered office: 38 Upper Mount Street, Dublin 2, Dublin D02 PR89, Ireland
Nature of business: Wholesaling of health and beauty products

Class of shares:	% holding
€1 Ordinary Shares	100.00

	2022 £	2021 £
Aggregate capital and reserves	26,533	13,066
Profit for the year	12,593	13,066

continued...

12. STOCKS

	2022	2021
	£	£
Finished goods	5,931,258	5,565,106

The total value of stock written off in the year is £12,257 (2021: £136,172).

There is no material difference between the replacement cost of stocks and the amounts stated above.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	3,743,384	3,425,406
Amounts owed by group undertakings	117,899	103,135
Other debtors	103,400	89,359
Prepayments and accrued income	385,346	538,164
	4,350,029	4,156,064

The total value of trade debtors written off in the year is £9,081 (2021: £5,276).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	2,353,140	837,677
Trade creditors	1,574,190	2,373,520
Corporation tax	26,947	177,653
Social security and other taxes	94,634	99,831
VAT	307,264	432,782
Accruals and deferred income	928,021	761,131
	5,284,196	4,682,594

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	2,353,140	837,677

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	559,861	580,650
Between one and five years	1,824,791	1,797,156
In more than five years	2,090,288	2,522,761
	4,474,940	4,900,567

17. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	2,353,140	837,677

The bank overdrafts of Paul Murray PLC and its parent company, Metro Gold Limited, are secured by a cross-guarantee and debenture provided jointly by Paul Murray PLC and Metro Gold Limited which includes a fixed and floating charge over all of the assets of each company. As at 31 December 2022 Metro Gold Limited had no secured debts in respect of this guarantee.

18. **FINANCIAL INSTRUMENTS**

The financial statements include the following financial instruments:

Financial Assets measured at amortised cost

	2022	2021
	£	£
Trade Debtors	3,743,384	3,425,40 6
Cash at Bank	127,496	256,746
Loans to Group Undertakings	117,899	103,135
	3,988,779	,785,287

Financial Liabilities measured at amortised cost

	2022	2021
	£	£
Bank Loans and Overdrafts	2,353,140	837,677
Trade Creditors	1,574,162	2,373,520
	3,897,302	3,211,197

19. **PROVISIONS FOR LIABILITIES**

	2022	2021
	£	£
Deferred tax	110,906	79,966

	Deferred tax
	£
Balance at 1 January 2022	79,966
Provided during year	30,940
Balance at 31 December 2022	110,906

continued...

19. PROVISIONS FOR LIABILITIES - continued

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (including offsets) for financial reporting purposes.

	2022 £	2021 £
Accelerated capital allowances	118,952	86,104
Short-term timing differences	(8,046)	(6,138)
	110,906	79,966

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
90,000	Ordinary A	£1	90,000	90,000
10,000	Ordinary B	£1	10,000	10,000
			100,000	100,000

Each share is entitled to one vote in any circumstance. All classes of shares rank equally on a winding up of the company. Dividends on each class of share are voted separately. If any share of the A or B class is sold or ownership transferred, the share becomes a C ordinary share.

21. RESERVES

	Retained earnings £
At 1 January 2022	5,961,387
Profit for the year	709,866
Dividends	(935,050)
At 31 December 2022	5,736,203

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £118,081 (2021: £119,604).

Contributions of £32,185 (2021: £32,303) were outstanding at the year end and are included within accruals.

continued...

23. ULTIMATE PARENT COMPANY

Metro Gold Limited is regarded by the directors as being the company's ultimate parent company.

Metro Gold Limited is the parent of the largest and smallest group for which group accounts are drawn up and of which the company is a member. Copies of the Group accounts can be obtained from Paul Murray PLC, Wide Lane, Southampton, England, SO18 2FA.

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.

Entities with control, joint control or significant influence over the entity

	2022	2021
	£	£
Amount due from Metro Gold Limited	58,838	39,825

Metro Gold Limited is the parent company of Paul Murray PLC. During the year Paul Murray PLC advanced £19,013 to Metro Gold Limited. The outstanding balance at the year end was £58,838 (2021: £39,825) and is included in amounts owed by group undertakings. This loan is interest free and repayable on demand.

During the year dividends totalling £935,050 (2021: £1,013,885) were paid to Metro Gold Limited.

Other related parties

	2022	2021
	£	£
Amount due from Newbarn Compton Limited	475	475

Newbarn Compton Limited holds 10% of the issued share capital in Paul Murray PLC. The outstanding loan balance at the year end was £475 (2021: £475) and is included in amounts owed by group undertakings. This balance is interest free and repayable on demand.

The remuneration of key management personnel, who are also directors, is as follows:

	2022	2021
£ £		
Aggregate compensation	827,891	828,057

25. POST BALANCE SHEET EVENTS

Since the year-end the company has declared dividends of £316,234

26. ULTIMATE CONTROLLING PARTY

The company is ultimately controlled by M J Murray, C A Eastwood and G L Robertson, directors of the company, by virtue of their majority shareholdings in the parent company, Metro Gold Limited.