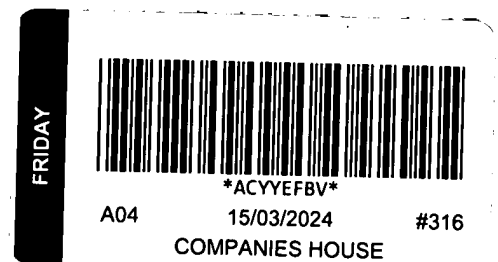


Kirwin Brothers Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2023

Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW



Kirwin Brothers Limited

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Kirwin Brothers Limited

Company Information

Directors L Kirwin
 J G Kirwin
 G Kirwin
 T W Kirwin

Company secretary L Kirwin

Registered office North Quay
 Fish Docks
 Grimsby
 N.E. Lincolnshire
 DN31 3SY

Solicitors Wilkin Chapman
 Cartergate House
 26 Chantry Lane
 Grimsby
 North East Lincolnshire
 DN31 2LJ

Bankers Yorkshire Bank
 12 Bethlehem Street
 Grimsby
 N E Lincolnshire
 DN31 1JZ

Auditors Forrester Boyd
 Chartered Accountants
 26 South Saint Mary's Gate
 Grimsby
 North East Lincolnshire
 DN31 1LW

Kirwin Brothers Limited

Strategic Report for the Year Ended 30 June 2023

The Directors present their strategic report for the year ended 30 June 2023.

Principal activity

The principal activity of the Company is that of wholesale fish merchants.

Fair review of the business

The company has performed relatively well producing results somewhat in line with the comparative year.

The demand following the relaxation of social restrictions has remained consistent which has provided the foundation for this year's performance. This helped to contend with continued volatility in raw material prices and supplies and leaves the company in a satisfactory financial position at its balance sheet date.

Given the challenging trading environment, the Directors are pleased to report a profit before tax of £311,046 for the year and key financial and performance indicators as follows:

	Unit	2023	2022
Turnover	£	22,545,568.00	22,281,007.00
Turnover (fall) growth from previous year	%	1.20	37.80
Gross profit	£	1,386,837.00	1,229,463.00
Gross profit margin (% of sales)	%	6.15	5.52
Profit / (loss) before tax	£	311,046.00	261,353.00
Net profit (loss) margin	%	1.38	1.17
Current asset / current liability ratio		1.25	1.24
Liquid (quick) ratio		1.07	1.12

Principal risks and uncertainties

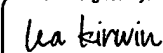
The principal risks and uncertainties faced by the business continue to be:

- Volatility in the availability and price of fish supplies.
- Ongoing competitive pressures within the industry and supply chain friction.
- Rising inflation and impact on operating costs, particularly energy.
- Shortages in skilled labour and upward pressure on wage costs.

The directors remain cautious about the medium-term outlook but remain confident in the company's depth of management, experience, organisation, flexibility and potential to prosper in the long-term.

Approved and authorised by the Board on 31 January 2024 and signed on its behalf by:

DocuSigned by:



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L Kirwin

Company secretary and director

Kirwin Brothers Limited

Directors' Report for the Year Ended 30 June 2023

The Directors present their report and the financial statements for the year ended 30 June 2023.

Directors of the company

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

L Kirwin - Company secretary and director

J G Kirwin

G Kirwin

T W Kirwin

Financial instruments

Objectives and policies

The company uses financial instruments, including derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors, and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All business cash balances are held in such a way that achieves a competitive rate of interest.

The company is exposed to a currency risk through the purchases made in foreign currencies and a small amount of sales received in these currencies. The directors manage these risks through the use of forward contracts to obtain the money required at the best possible rate and to 'fix' the cost of the currency used in order to aid financial planning procedures.

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. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

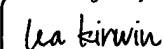
Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information to the auditors

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

Approved and authorised by the Board on 31 January 2024 and signed on its behalf by:

DocuSigned by:



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L Kirwin

Company secretary and director

Kirwin Brothers Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Kirwin Brothers Limited

Independent Auditor's Report to the Members of Kirwin Brothers Limited

Opinion

We have audited the financial statements of Kirwin Brothers Limited (the 'Company') for the year ended 30 June 2023, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic and Directors' reports, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Kirwin Brothers Limited

Independent Auditor's Report to the Members of Kirwin Brothers Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as stock valuation and doubtful debt provisions.
- Identification of key laws and regulations central to the Company's operations and review of compliance with such laws including a review of the MSC and BRC accreditation and correspondence with solicitors to identify any disciplinary action or ongoing issues.
- Testing of journal entries and potential override of systems.

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

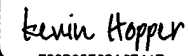
Kirwin Brothers Limited

Independent Auditor's Report to the Members of Kirwin Brothers 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Kevin Hopper BFP FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

31 January 2024

Kirwin Brothers Limited**Statement of Income and Retained Earnings for the Year Ended 30 June 2023**

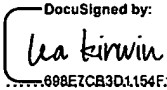
	Note	2023 £	2022 £
Turnover	3	22,545,568	22,281,007
Cost of sales		<u>(21,158,731)</u>	<u>(21,051,544)</u>
Gross profit		1,386,837	1,229,463
Administrative expenses		(998,362)	(940,641)
Other operating income	4	<u>25,000</u>	<u>27,082</u>
Operating profit	6	<u>413,475</u>	<u>315,904</u>
Interest payable and similar charges	7	(102,429)	(67,326)
Exceptional items	5	<u>-</u>	<u>12,775</u>
		<u>(102,429)</u>	<u>(54,551)</u>
Profit before tax		311,046	261,353
Taxation	11	<u>(64,538)</u>	<u>(102,297)</u>
Profit for the financial year		246,508	159,056
Retained earnings brought forward		1,733,952	1,635,556
Dividends paid		<u>(60,360)</u>	<u>(60,660)</u>
Retained earnings carried forward		<u><u>1,920,100</u></u>	<u><u>1,733,952</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Kirwin Brothers Limited**(Registration number: 2388808)****Balance Sheet as at 30 June 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	2,237,319	2,344,766
Current assets			
Stocks	13	596,017	343,901
Debtors	14	3,562,444	3,313,492
Cash at bank and in hand	15	14,863	69,524
		<u>4,173,324</u>	<u>3,726,917</u>
Creditors: Amounts falling due within one year	16	<u>(3,334,368)</u>	<u>(3,011,596)</u>
Net current assets		<u>838,956</u>	<u>715,321</u>
Total assets less current liabilities		3,076,275	3,060,087
Creditors: Amounts falling due after more than one year	16	(942,342)	(1,091,650)
Provisions for liabilities		<u>(203,833)</u>	<u>(224,485)</u>
Net assets		<u>1,930,100</u>	<u>1,743,952</u>
Capital and reserves			
Called up share capital	18	10,000	10,000
Profit and loss account	19	<u>1,920,100</u>	<u>1,733,952</u>
Shareholders' funds		<u>1,930,100</u>	<u>1,743,952</u>

Approved and authorised by the Board on 31 January 2024 and signed on its behalf by:

DocuSigned by:

098E7CB3D1154F1.....
 L Kirwin
 Company secretary and director

Kirwin Brothers Limited**Statement of Cash Flows for the Year Ended 30 June 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the year		246,508	159,056
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	187,276	190,554
Profit on disposal of tangible assets	5	-	(677)
Finance costs	7	106,824	76,440
Income tax expense	11	64,538	102,297
		<u>605,146</u>	<u>527,670</u>
Working capital adjustments			
(Increase)/decrease in stocks	13	(252,116)	107,166
Increase in trade debtors	14	(248,952)	(558,043)
(Decrease)/increase in trade creditors	16	<u>(243,310)</u>	<u>560,721</u>
Cash generated from operations		(139,232)	637,514
Income taxes (paid)/received	11	<u>(71,179)</u>	<u>92,371</u>
Net cash flow from operating activities		<u>(210,411)</u>	<u>729,885</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(5,471)	(40,338)
Proceeds from sale of tangible assets		<u>21,730</u>	<u>17,100</u>
Net cash flows from investing activities		<u>16,259</u>	<u>(23,238)</u>
Cash flows from financing activities			
Interest paid	7	(106,824)	(76,440)
Repayment of bank borrowing		(186,188)	(190,448)
Repayment of other borrowing		(2,573)	(38,800)
Payments to finance lease creditors		(31,934)	(6,964)
Dividends paid		<u>(60,360)</u>	<u>(60,660)</u>
Net cash flows from financing activities		<u>(387,879)</u>	<u>(373,312)</u>
Net (decrease)/increase in cash and cash equivalents		(582,031)	333,335
Cash and cash equivalents at 1 July		<u>(221,900)</u>	<u>(555,235)</u>
Cash and cash equivalents at 30 June	15	<u>(803,931)</u>	<u>(221,900)</u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

1 General information

The company is a private company limited by share capital, incorporated in England and the company registration number is 2388808.

The address of its registered office is:

North Quay
Fish Docks
Grimsby
N.E. Lincolnshire
DN31 3SY

These financial statements were authorised for issue by the Board on 31 January 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

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

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Government grants

Government grants are recognised on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Foreign currency transactions and balances

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

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

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

Tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of income and retained earnings.

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

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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

Asset class	Depreciation method and rate
Land and buildings (Short Leasehold)	8% straight line basis
Plant and machinery	10-25% reducing balance or 30% straight line basis
Motor vehicles	25% straight line basis
Assets under construction (Freehold Property)	No charge until asset is in use

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of income and retained earnings over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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

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

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

Share capital

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

Defined contribution pension obligation

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

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

3 Turnover

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

	2023	2022
	£	£
Sale of goods	<u>22,545,568</u>	<u>22,281,007</u>

The analysis of the Company's Turnover for the year by market is as follows:

	2023	2022
	£	£
UK	22,330,256	22,019,753
Europe	<u>215,312</u>	<u>261,254</u>
	<u>22,545,568</u>	<u>22,281,007</u>

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023****4 Other operating income**

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

	2023 £	2022 £
Rental income	<u>25,000</u>	<u>27,082</u>

5 Other exceptional costs

	2023 £	2022 £
Government grant income	<u>-</u>	<u>12,775</u>

Included within Government grant income is £Nil (2022: £12,775) relating to the Coronavirus Business Interruption Loan Scheme (CBILS).

6 Operating profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	187,276	190,554
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(677)</u>

7 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and borrowings	105,700	75,763
Interest on obligations under finance leases and hire purchase contracts	1,124	677
Foreign exchange losses	<u>(4,395)</u>	<u>(9,114)</u>
	<u>102,429</u>	<u>67,326</u>

8 Staff costs

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

	2023 £	2022 £
Wages and salaries	1,964,504	1,845,689
Social security costs	178,432	194,414
Pension costs, defined contribution scheme	<u>38,927</u>	<u>39,695</u>
	<u>2,181,863</u>	<u>2,079,798</u>

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023**

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

	2023	2022
	No.	No.
Production	57	58
Administration and support	3	3
Sales	5	5
Other departments	2	2
	<u>67</u>	<u>68</u>

9 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2023	2022
	£	£
Remuneration	<u>51,433</u>	<u>42,138</u>

10 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	<u>9,500</u>	<u>9,000</u>

11 Taxation

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

	2023	2022
	£	£
Current taxation		
UK corporation tax	85,190	71,154
UK corporation tax adjustment to prior periods	<u>-</u>	<u>(1,519)</u>
	85,190	69,635
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(20,652)</u>	<u>32,662</u>
Tax expense in the income statement	<u>64,538</u>	<u>102,297</u>

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023**

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 20.5% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>311,046</u>	<u>261,353</u>
Corporation tax at standard rate	63,764	49,657
Effect of expense not deductible in determining taxable profit (tax loss)	2,092	-
Deferred tax expense relating to changes in tax rates or laws	-	52,357
Tax (decrease)/increase from effect of capital allowances and depreciation	<u>(1,318)</u>	<u>283</u>
Total tax charge	<u>64,538</u>	<u>102,297</u>
Deferred tax		
		Liability £
2023		
Difference between accumulated depreciation and capital allowances		<u>203,833</u>
		Liability £
2022		
Difference between accumulated depreciation and capital allowances		<u>224,485</u>

12 Tangible assets

	Land and buildings £	Assets under construction £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2022	317,862	1,262,897	3,086,250	21,730	4,688,739
Additions	-	26,721	-	74,837	101,558
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,730)</u>	<u>(21,730)</u>
At 30 June 2023	<u>317,862</u>	<u>1,289,618</u>	<u>3,086,250</u>	<u>74,837</u>	<u>4,768,567</u>
Depreciation					
At 1 July 2022	255,347	-	2,088,626	-	2,343,973
Charge for the year	<u>21,615</u>	<u>-</u>	<u>155,705</u>	<u>9,955</u>	<u>187,275</u>
At 30 June 2023	<u>276,962</u>	<u>-</u>	<u>2,244,331</u>	<u>9,955</u>	<u>2,531,248</u>
Carrying amount					
At 30 June 2023	<u>40,900</u>	<u>1,289,618</u>	<u>841,919</u>	<u>64,882</u>	<u>2,237,319</u>
At 30 June 2022	<u>62,515</u>	<u>1,262,897</u>	<u>997,624</u>	<u>21,730</u>	<u>2,344,766</u>

Included within the net book value of land and buildings above is £40,900 (2022 - £62,515) in respect of short leasehold land and buildings.

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023****Assets held under finance leases and hire purchase contracts**

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2023 £	2022 £
Motor vehicles	<u>64,882</u>	<u>21,730</u>

13 Stocks

	2023 £	2022 £
Raw materials and consumables	<u>596,017</u>	<u>343,901</u>

14 Debtors

	2023 £	2022 £
Trade debtors	2,977,233	3,052,218
Other debtors	335,157	88,145
Prepayments	<u>250,054</u>	<u>173,129</u>
	<u>3,562,444</u>	<u>3,313,492</u>

15 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	14,863	69,524
Bank overdrafts	<u>(818,794)</u>	<u>(291,424)</u>
Cash and cash equivalents in statement of cash flows	<u>(803,931)</u>	<u>(221,900)</u>

16 Creditors

	Note	2023 £	2022 £
Due within one year			
Loans and borrowings	20	1,049,872	497,801
Trade creditors		1,934,131	2,212,095
Social security and other taxes		43,572	40,168
Outstanding defined contribution pension costs		10,203	-
Accruals		211,425	190,378
Corporation tax liability	11	<u>85,165</u>	<u>71,154</u>
		<u>3,334,368</u>	<u>3,011,596</u>
Due after one year			
Loans and borrowings	20	<u>942,342</u>	<u>1,091,650</u>

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023**

17 Pension and other schemes**Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £38,926 (2022 - £39,695).

Contributions totalling £10,203 (2022 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital**Allotted, called up and fully paid shares**

	2023		2022	
	No.	£	No.	£
Ordinary of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Full voting and participation rights with no restriction on distribution of dividends or repayment of capital.

Ordinary shares are divided into A, B, C, D, E and F share categories of which shares are £1 each and all classes of shares rank pari passu.

19 Reserves

Called up share capital

Called up share capital comprises of the value of issued share capital at par.

Profit and loss account

The profit and loss account consists of cumulative profits made by the company attributable to the shareholders of the company.

20 Loans and borrowings

	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	896,882	1,083,827
Finance lease liabilities	<u>45,460</u>	<u>7,823</u>
	<u>942,342</u>	<u>1,091,650</u>

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023**

	2023	2022
	£	£
Current loans and borrowings		
Bank borrowings	189,186	188,429
Bank overdrafts	818,794	291,424
Finance lease liabilities	33,047	6,530
Other borrowings	8,845	11,418
	<u>1,049,872</u>	<u>497,801</u>

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023****Secured creditors**

Included within bank overdrafts is an overdraft which is denominated in sterling and are secured against the assets to which they finance. The carrying amount at the year end is £818,794 (2022 - £291,424).

Included within bank borrowings is a bank loan which is denominated in sterling and is secured against the assets to which it finances. The carrying amount at the year end is £774,956 (2022 - £827,811).

Included within bank borrowings is a bank loan which is denominated in sterling and is secured against the assets of the business through a fixed and floating charge. The carrying amount at the year end is £311,111 (2022: £444,444).

Personal guarantees have been given by Mr L Kirwin and Mr G Kirwin in respect of the company's banking facilities, subject to a maximum of £200,000 each.

Finance lease liabilities are denominated in sterling and are secured against the assets to which they finance. The carrying amount at the year end is £78,508 (2022 - £14,353).

The aggregate amount of secured liabilities at the year end totals £1,983,369 (2022: £1,578,032).

21 Obligations under leases and hire purchase contracts**Finance leases**

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	33,047	6,530
Later than one year and not later than five years	45,461	7,823
	<u>78,508</u>	<u>14,353</u>

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	45,922	45,922
Later than one year and not later than five years	81,148	127,070
	<u>127,070</u>	<u>172,992</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £51,721 (2022 - £33,484).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	10,246	24,590
Later than one year and not later than five years	-	10,246
	<u>10,246</u>	<u>34,836</u>

Kirwin Brothers Limited**Notes to the Financial Statements for the Year Ended 30 June 2023****22 Analysis of changes in net debt**

	At 1 July 2022 £	Financing cash flows £	New finance leases £	At 30 June 2023 £
Cash and cash equivalents				
Overdrafts	(291,424)	(527,370)	-	(818,794)
Cash equivalents	69,524	(54,661)	-	14,863
	<u>(221,900)</u>	<u>(582,031)</u>	<u>-</u>	<u>(803,931)</u>
Borrowings				
Long term borrowings	(1,083,827)	186,945	-	(896,882)
Short term borrowings	(188,429)	(756)	-	(189,185)
Lease liabilities	(14,353)	31,934	(96,089)	(78,508)
	<u>(1,286,609)</u>	<u>218,123</u>	<u>(96,089)</u>	<u>(1,164,575)</u>
	<u>(1,508,509)</u>	<u>(363,908)</u>	<u>(96,089)</u>	<u>(1,968,506)</u>

23 Related party transactions**Income and receivables from related parties**

	Other related parties £
2023	
Sale of goods	2,276,364
Amounts receivable from related party	<u>263,459</u>
	<u>2,539,823</u>
2022	
Sale of goods	3,298,170
Amounts receivable from related party	<u>694,877</u>
	<u>3,993,047</u>

Expenditure with and payables to related parties

	Key management £	Other related parties £
2023		
Purchase of goods	-	17,285
Amounts payable to related party	<u>8,845</u>	<u>-</u>
	<u>8,845</u>	<u>17,285</u>
2022		
Purchase of goods	-	4,964
Amounts payable to related party	<u>11,418</u>	<u>-</u>
	<u>11,418</u>	<u>4,964</u>

Transactions with directors

Dividends paid to directors in the year total £60,360 (2022: £60,660).