

Company registration number 03497488 (England and Wales)

DIRECT TRADE (YORKSHIRE) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

DIRECT TRADE (YORKSHIRE) LIMITED

COMPANY INFORMATION

Directors	Mr D J Mumby	(Appointed 28 April 2022)
	Mr J E Buckley	(Appointed 14 April 2022)
	Mr D P Colton	
	Mr M A Powell	
	Mr S R Storey	(Appointed 1 October 2022)
Secretary	Ms S T Whitehead	
Company number	03497488	
Registered office	Unit 3 Sandall Carr Road Kirk Sandall Doncaster South Yorkshire DN3 1QL	
Auditor	Hentons Northgate 118 North Street Leeds West Yorkshire LS2 7PN	

DIRECT TRADE (YORKSHIRE) LIMITED

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DIRECT TRADE (YORKSHIRE) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the Year

The year saw a softening of the positive effect that Covid 19 had previously had on the home improvement market, with consumers facing ever increasing living costs and rising interest rates. Turnover reduced by £0.89M (2.7%), with price increases putting additional pressures on the business. However the business was able to pass these increases through the chain, seeing only a small reduction in gross profit margin to 34.4% (35.7% 2022). This combined with strict overhead control resulted in net profit before tax increasing by £130k (13.2%) (12.4% 2022). The company's balance sheet has been strengthened with Net Assets improving by £1.1M (12.0%).

Significant Risks

The market is starting to see a definite downturn in demand. Larger installer businesses that are reliant on direct selling are finding the market particularly tough, with some having difficult decisions to make. Due to its customer demographic the company is well positioned to ride the downturn.

Future Developments

The company is introducing new products to its existing customer base and concentrating on maintaining service levels to ensure that both margins and that customer base are protected.

On behalf of the board

Mr D P Colton

Director

20 December 2023

DIRECT TRADE (YORKSHIRE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of the manufacture of doors and windows.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £4,268,352. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D J Mumby	(Appointed 28 April 2022)
Mr J E Buckley	(Appointed 14 April 2022)
Mr D P Colton	
Mr M A Powell	
Mr S Green	(Resigned 14 April 2022)
Mr S R Storey	(Appointed 1 October 2022)

Statement of directors' responsibilities

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

DIRECT TRADE (YORKSHIRE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr D P Colton
Director

20 December 2023

DIRECT TRADE (YORKSHIRE) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIRECT TRADE (YORKSHIRE) LIMITED

Opinion

We have audited the financial statements of Direct Trade (Yorkshire) Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 March 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's 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

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

DIRECT TRADE (YORKSHIRE) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DIRECT TRADE (YORKSHIRE) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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, 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's 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.

- Reviewed the nature of the industry and sector, the control environment and business performance for the year.
- Identifying the laws and regulations the company operates within and enquiring with management if they are aware of any non compliance issues.
- Discussed how and where fraud may occur with all members of the audit engagement team.
- In line with all audits under ISAs (UK) we were required to perform tests to respond to the risk of management override. We tested the appropriateness of journal entries, evaluated the judgements made for accounting estimates to assess if any bias, and assessed the rationale behind any significant or unusual transactions.

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

DIRECT TRADE (YORKSHIRE) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DIRECT TRADE (YORKSHIRE) 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.

Chris Howitt
Senior Statutory Auditor
For and on behalf of Hentons

20 December 2023

Chartered Accountants
Statutory Auditor

Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

DIRECT TRADE (YORKSHIRE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	32,231,696	33,118,960
Cost of sales		(21,126,620)	(21,305,872)
Gross profit		11,105,076	11,813,088
Administrative expenses		(6,789,156)	(7,571,697)
Operating profit	4	4,315,920	4,241,391
Interest receivable and similar income	7	5,142	505
Interest payable and similar expenses	9	(77,594)	(128,326)
Profit before taxation		4,243,468	4,113,570
Tax on profit	10	(746,818)	(852,297)
Profit for the financial year		3,496,650	3,261,273

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

DIRECT TRADE (YORKSHIRE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Profit for the year	3,496,650	3,261,273
Other comprehensive income		
Revaluation of tangible fixed assets	1,170,075	-
Total comprehensive income for the year	<u>4,666,725</u>	<u>3,261,273</u>

The notes on pages 12 to 23 form part of these financial statements.

DIRECT TRADE (YORKSHIRE) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	12	5,863,162	4,387,845
Current assets			
Stocks	13	2,061,515	2,686,538
Debtors	14	4,694,973	4,391,951
Cash at bank and in hand		4,744,814	5,923,912
		11,501,302	13,002,401
Creditors: amounts falling due within one year	15	(5,069,722)	(5,782,068)
Net current assets		6,431,580	7,220,333
Total assets less current liabilities		12,294,742	11,608,178
Creditors: amounts falling due after more than one year	16	(1,645,008)	(1,490,204)
Provisions for liabilities			
Provisions	19	150,000	150,000
Deferred tax liability	20	540,599	407,212
		(690,599)	(557,212)
Net assets		9,959,135	9,560,762
Capital and reserves			
Called up share capital	22	50	53
Revaluation reserve		1,170,075	-
Capital redemption reserve		53	50
Profit and loss reserves		8,788,957	9,560,659
Total equity		9,959,135	9,560,762

The notes on pages 12 to 23 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

Mr D P Colton
Director

Company Registration No. 03497488

DIRECT TRADE (YORKSHIRE) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 April 2021		53	-	50	6,343,498	6,343,601
Year ended 31 March 2022:						
Profit and total comprehensive income for the year		-	-	-	3,261,273	3,261,273
Dividends	11	-	-	-	(44,112)	(44,112)
Balance at 31 March 2022		53	-	50	9,560,659	9,560,762
Year ended 31 March 2023:						
Profit for the year		-	-	-	3,496,650	3,496,650
Other comprehensive income:						
Revaluation of tangible fixed assets		-	1,170,075	-	-	1,170,075
Total comprehensive income for the year		-	1,170,075	-	3,496,650	4,666,725
Dividends	11	-	-	-	(4,268,352)	(4,268,352)
Redemption of shares	22	-	-	3	-	3
Reduction of shares	22	(3)	-	-	-	(3)
Balance at 31 March 2023		50	1,170,075	53	8,788,957	9,959,135

The notes on pages 12 to 23 form part of these financial statements.

DIRECT TRADE (YORKSHIRE) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25	4,371,621		4,359,100	
Interest paid		(77,594)		(128,326)	
Income taxes paid		(517,659)		(887,570)	
Net cash inflow from operating activities		<u>3,776,368</u>		<u>3,343,204</u>	
Investing activities					
Purchase of tangible fixed assets		(1,111,487)		(799,372)	
Proceeds from disposal of tangible fixed assets		235,359		101,201	
Repayment of loans		1,048,286		(1,048,286)	
Interest received		<u>5,142</u>		<u>505</u>	
Net cash generated from/(used in) investing activities		177,300		(1,745,952)	
Financing activities					
Repayment of bank loans		(1,039,526)		(164,990)	
Payment of finance leases obligations		175,112		(154,329)	
Dividends paid		<u>(4,268,352)</u>		<u>(44,112)</u>	
Net cash used in financing activities		<u>(5,132,766)</u>		<u>(363,431)</u>	
Net (decrease)/increase in cash and cash equivalents		(1,179,098)		1,233,821	
Cash and cash equivalents at beginning of year		<u>5,923,912</u>		<u>4,690,091</u>	
Cash and cash equivalents at end of year		<u><u>4,744,814</u></u>		<u><u>5,923,912</u></u>	

The notes on pages 12 to 23 form part of these financial statements.

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Direct Trade (Yorkshire) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3 Sandall Carr Road, Kirk Sandall, Doncaster, South Yorkshire, DN3 1QL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on costs
Plant and equipment	20% on reducing balance
Fixtures and fittings	25% on cost and 25% on reducing balance
Computers	25% on cost and 25% on reducing balance
Motor vehicles	25% on cost

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.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.7 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 in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts 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.

Basic financial assets

Basic financial assets, which include debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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 the company 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.

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

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 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 the revision and future periods where the revision affects both current and future periods.

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by geographical market		
UK sales	32,231,696	33,118,960
	2023	2022
	£	£
Other revenue		
Interest income	5,142	505

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	14,500	15,000
Depreciation of owned tangible fixed assets	801,408	888,273
(Profit)/loss on disposal of tangible fixed assets	(230,522)	16,854
Operating lease charges	342,235	380,677

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,500	15,000

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Management	23	24
Administration	50	54
Factory	162	177
Total	235	255

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2023	2022
		£	£
	Wages and salaries	7,539,606	7,425,118
	Social security costs	628,676	730,275
	Pension costs	124,991	127,463
		<u>8,293,273</u>	<u>8,282,856</u>
7	Interest receivable and similar income		
		2023	2022
		£	£
	Interest income		
	Interest on bank deposits	587	505
	Other interest income	4,555	-
		<u>5,142</u>	<u>505</u>
	Total income	<u>5,142</u>	<u>505</u>
		2023	2022
		£	£
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	5,142	505
8	Directors' remuneration		
		2023	2022
		£	£
	Remuneration for qualifying services	458,958	603,159
	Company pension contributions to defined contribution schemes	2,716	3,981
		<u>461,674</u>	<u>607,140</u>
9	Interest payable and similar expenses		
		2023	2022
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	5,282	39,588
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	72,312	88,738
		<u>77,594</u>	<u>128,326</u>

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	613,431	739,248
Deferred tax		
Origination and reversal of timing differences	133,387	113,049
Total tax charge	746,818	852,297

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	4,243,468	4,113,570
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	806,259	781,578
Tax effect of expenses that are not deductible in determining taxable profit	(43,673)	4,212
Permanent capital allowances in excess of depreciation	(149,155)	(46,542)
Deferred tax	133,387	113,049
Taxation charge for the year	746,818	852,297

11 Dividends

	2023 £	2022 £
Final paid	4,257,988	-
Interim paid	10,364	44,112
	4,268,352	44,112

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	2,222,186	4,596,506	950,018	482,958	1,484,952	9,736,620
Additions	-	75,252	50,683	12,763	972,789	1,111,487
Disposals	-	(5,950)	-	-	(705,698)	(711,648)
Revaluation	1,170,075	-	-	-	-	1,170,075
At 31 March 2023	3,392,261	4,665,808	1,000,701	495,721	1,752,043	11,306,534
Depreciation and impairment						
At 1 April 2022	364,392	2,626,638	691,543	407,728	1,258,474	5,348,775
Depreciation charged in the year	44,444	404,599	70,521	44,441	237,403	801,408
Eliminated in respect of disposals	-	(1,113)	-	-	(705,698)	(706,811)
At 31 March 2023	408,836	3,030,124	762,064	452,169	790,179	5,443,372
Carrying amount						
At 31 March 2023	2,983,425	1,635,684	238,637	43,552	961,864	5,863,162
At 31 March 2022	1,857,794	1,969,868	258,475	75,230	226,478	4,387,845

13 Stocks

	2023 £	2022 £
Finished goods and goods for resale	2,061,515	2,686,538

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2,523,801	2,945,456
Other debtors	1,728,285	1,048,286
Prepayments and accrued income	442,887	398,209
	4,694,973	4,391,951

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	17	519	1,040,045
Obligations under finance leases	18	674,549	654,241
Trade creditors		3,160,058	2,316,759
Corporation tax		385,020	289,248
Other taxation and social security		365,722	1,232,180
Other creditors		440,523	235,864
Accruals and deferred income		43,331	13,731
		<u>5,069,722</u>	<u>5,782,068</u>

16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	18	<u>1,645,008</u>	<u>1,490,204</u>

17 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>519</u>	<u>1,040,045</u>
Payable within one year	<u>519</u>	<u>1,040,045</u>

The long-term loans are secured by way of legal charge over the individual freehold properties to which they relate and by way of standard bank debenture.

18 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	674,549	654,242
In two to five years	1,608,633	1,303,037
In over five years	36,375	187,166
	<u>2,319,557</u>	<u>2,144,445</u>

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Provisions for liabilities

	2023 £	2022 £
Future Dilapidations	150,000	150,000
Movements on provisions:		
		Future Dilapidations £
At 1 April 2022 and 31 March 2023		150,000

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	540,599	407,212
Movements in the year:		2023 £
Liability at 1 April 2022		407,212
Charge to profit or loss		133,387
Liability at 31 March 2023		540,599

The deferred tax provision is in relation to accelerated capital allowances.
The directors do not consider that there will be a net reversal of the provision in the following financial year.

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	124,991	127,463

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.

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid of £1 each	53	53	50	53

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	89,563	123,749
Between two and five years	121,000	221,563
In over five years	-	33,000
	<u>210,563</u>	<u>378,312</u>

24 Directors' transactions

As at 31 March 2023 Mr S P Green owed the company £nil (2022: - £1,048,286) . No interest is being charged to his balance.

25 Cash generated from operations

	2023	2022
	£	£
Profit for the year after tax	3,496,650	3,261,273
Adjustments for:		
Taxation charged	746,818	852,297
Finance costs	77,594	128,326
Investment income	(5,142)	(505)
(Gain)/loss on disposal of tangible fixed assets	(230,522)	16,854
Depreciation and impairment of tangible fixed assets	801,408	888,273
Movements in working capital:		
Decrease/(increase) in stocks	625,023	(459,655)
Increase in debtors	(1,351,308)	(417,822)
Increase in creditors	211,100	90,059
Cash generated from operations	<u>4,371,621</u>	<u>4,359,100</u>

DIRECT TRADE (YORKSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Analysis of changes in net funds

	1 April 2022	Cash flows	31 March 2023
	£	£	£
Cash at bank and in hand	5,923,912	(1,179,098)	4,744,814
Borrowings excluding overdrafts	(1,040,045)	1,039,526	(519)
Obligations under finance leases	(2,144,445)	(175,112)	(2,319,557)
	<u>2,739,422</u>	<u>(314,684)</u>	<u>2,424,738</u>

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