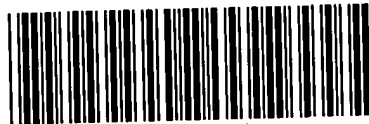


REGISTERED NUMBER: 03537679 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 30 September 2021
for
Blends Ltd**

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for the Year Ended 30 September 2021**

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Blends Ltd

**Company Information
for the Year Ended 30 September 2021**

DIRECTORS:

Mr M D Rowark
Mr P W Rowark
Mr M R Rowark

SECRETARY:

Ms A Rowark

REGISTERED OFFICE:

Blends House
Overbrook Lane
Knowsley
Prescot
Merseyside
L34 9FB

REGISTERED NUMBER:

03537679 (England and Wales)

AUDITORS:

Harts Limited
Chartered Accountants and Statutory Auditors
Westminster House
10 Westminster Road
Macclesfield
Cheshire
SK10 1BX

**Strategic Report
for the Year Ended 30 September 2021**

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

The principal activity of the group in the year under review was that of the distribution of commodities to the catering industry and associated concerns.

REVIEW OF BUSINESS

Blends Ltd is a family-owned company which has been trading as a reputable distributor to the food and drinks industry since 1998 celebrating 23 years this year.

Although Blends Ltd registered address is at Overbrook Lane, it primarily operates from Picton House on Kitling Road. Since October 2018 Blends Ltd have traded solely for the distribution of commodities. This is the third financial accounts since the separation.

We are a British Retail Consortium (BRC) accredited company and achieved another AA grade certificate in January 2021. We are the largest distributor of packed glycerine in the UK, holding a market share of approximately 25% in the food sector.

Considerable growth has occurred over the last few years. The company continues to invest heavily in developing the current premises and staff welfare. Our employee number total is 16 for Blends Ltd, 93 over the group.

Our achievements have been recognised in the past, where we have won awards such as Excellence in Manufacturing/Logistics in November 2018, winner of the Echo Regional Business of the year in June 2019, and we were also incredibly pleased to be shortlisted for Manufacturer of the Year (Made in the North West awards 2019). Unfortunately, due to another year of COVID, this is not something we have been able to take part in this year again.

PRINCIPAL RISKS AND UNCERTAINTIES

With market penetration one of our key growth strategies, we are conscious of the competitive rivalry within our market. Product and service extension strategies will help us to continue to differentiate ourselves from other suppliers. As we purchase most of our commodities from Europe, we always have the risk of potential supply issues, due to product shortages. Like most people, we have also faced transport issues, which continues to have a slight impact. Thankfully, we have an external customs agents who deals with all of our transport and customs declarations, ensuring a smooth process from start to finish. We also continue to forward book our Euros in advance, in order to take advantage of preferential exchange rates. However, this is always a risk, as we never know what the rates will be from one day to the next. However, we ensure we're kept abreast of this by researching market data and forecasts.

The glycerine business has been built up over the last 23 years with major growth in the last 13 years making us the largest distributor of packed glycerine in the UK food sector. The Glycerine supply has stayed steady this year following the very volatile and unprecedented supply in 2017. The product almost doubled in price during the end of 2017 and in turn has made the market even more competitive. We operate a returnable IBC policy which helps with reducing costs in this area.

COVID created uncertainty on supply chain availability. It had and continues to have a knock on effect with logistics, distribution and reduced labour. When the markets re-opened, demand was strong and that was reflected in supply and distribution of product coming from Europe, which caused delays. It has been difficult to stock pile due to these things.

**Strategic Report
for the Year Ended 30 September 2021**

ANALYSIS OF DEVELOPMENT AND PERFORMANCE

It is important that Blends recognises its key strengths. For this reason, we must continue to focus on our key products and markets which have formed the backbone of our success. This will involve maintaining our strong position in commodity markets, in addition, growing our share in the markets for other key commodities and adding specific new products to our existing customer base.

Any new bulk products must complement our current range and take advantage of our very low-cost operation. Almost any bulk food liquid falls into this category, but our immediate short-term focus is on Glucose, Dextrose and Citric. As both sides of the business continue to grow, we develop greater leverage in the supply market; this is opening opportunities to achieve more competitive pricing which benefits both businesses. The ability for Blends Limited to sell products that are also ingredients to Blends Flavours & Colours reduces costs, improves competitiveness of product offer which helps grow sales and widen customer base. The risk in buying in these products for re-sale are reduced by the fact the group also use the same products as Production ingredients.

Blends Limited is well placed to increase its product and service offer not just to existing customers but to new customers as well. In many instances new customers to one side of the business often have the potential to buy products or services from the other; maintaining communication between both Sales Teams will further support these opportunities.

Our new filling lines are now operational, which simplifies our processes and opens up new opportunities for providing services to food sector customers by offering a range of different pack sizes.

Towards the end of the financial year, we incorporated a new ERP, which is fully integrated. The system is adaptable to our business needs, so given the right attention, can really improve the efficiency, traceability and accuracy of our business.

The quality of our employees contributes to the success of Blends Ltd. We will continue to invest in them in training and development. We ensure that opportunities are given to our employees, to progress within the business, and will support them in this path.

Analysis

Sales were up by 13.2%.

2020 - £9,328,420

2021 - £10,562,115

Gross Profit for the third financial year as a commodity only company achieved 14%, as opposed to 16.2% the previous year.

FUTURE DEVELOPMENT AND RESEARCH

We will be looking to add a new mixing room in order for us to be able to make other commodity blends, such as Citric Acid solution, Preservatives and other commodity solutions.

We are also looking installing new equipment to enable us to produce de-ionised water on site, for use in blends and/or packing for resale.

Lastly, we hope to become a fully certified agent and broker next financial year, which is in addition to our existing BRC accreditation. This will allow us to manage bulk direct business, where the product is delivered direct to the end user from the point of manufacture, whilst incurring no additional operational costs.

ON BEHALF OF THE BOARD:



Mr M D Rowark - Director

24 August 2022

**Report of the Directors
for the Year Ended 30 September 2021**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture of other food products.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2021 will be £86,500.

DIRECTORS

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

Mr M D Rowark
Mr P W Rowark
Mr M R Rowark

MATTERS COVERED IN THE STRATEGIC REPORT

As permitted by S414c(11) of Companies Act 2006, the director has elected to disclose information, required to be in the director's report by schedule 7 of the 'Large and Medium-sized Companies, and Groups (Accounts and Reports) Regulation 2008, in the Strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Blends Ltd (Registered number: 03537679)

**Report of the Directors
for the Year Ended 30 September 2021**

AUDITORS

The auditors, Harts Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M D Rowark'.

Mr M D Rowark - Director

24 August 2022

Report of the Independent Auditors to the Members of Blends Ltd

Opinion

We have audited the financial statements of Blends Ltd (the 'company') for the year ended 30 September 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Blends Ltd

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, Health and Safety and general food regulations..

We understood how Blends Limited is complying with those frameworks by making inquiries of management responsible for company legislation and certification procedures.

We corroborated our enquiries through discussion with the Directors to identify any non-compliance with laws and regulations.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussion with directors to understand where its considered there was a susceptibility to fraud. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify and unusual or unexpected relationships; investigated the rationale behind significant or unusual transactions; and tested journal entries to identify unusual transactions.

**Report of the Independent Auditors to the Members of
Blends Ltd**

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 enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Material misstatement that arises due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations that could materially impact the financial statements. Taking into accounts our understanding of the Company, our procedures involved enquires of management and focussed testing as appropriate with consideration to risk assessment.

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.

Mr David Alexander John Taylor (Senior Statutory Auditor)
for and on behalf of Harts Limited
Chartered Accountants and Statutory Auditors
Westminster House
10 Westminster Road
Macclesfield
Cheshire
SK10 1BX

24 August 2022

Income Statement
for the Year Ended 30 September 2021

	Notes	30.9.21 £	30.9.20 £
TURNOVER	3	10,562,116	9,328,420
Cost of sales		(9,082,817)	(7,812,509)
GROSS PROFIT		1,479,299	1,515,911
Administrative expenses		(1,147,431)	(1,084,247)
		331,868	431,664
Other operating income		67,902	12,173
OPERATING PROFIT	5	399,770	443,837
Interest receivable and similar income		1,417	1,523
		401,187	445,360
Interest payable and similar expenses	7	(9,070)	(13,234)
PROFIT BEFORE TAXATION		392,117	432,126
Tax on profit	8	(124,643)	(63,832)
PROFIT FOR THE FINANCIAL YEAR		267,474	368,294

Blends Ltd (Registered number: 03537679)

**Other Comprehensive Income
for the Year Ended 30 September 2021**

	Notes	30.9.21 £	30.9.20 £
PROFIT FOR THE YEAR		267,474	368,294
OTHER COMPREHENSIVE INCOME			
Revaluation in year		72,229	-
Income tax relating to other comprehensive income		-	-
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		72,229	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		339,703	368,294
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Blends Ltd (Registered number: 03537679)

**Balance Sheet
30 September 2021**

	Notes	30.9.21 £	30.9.20 £
FIXED ASSETS			
Tangible assets	10	2,052,945	2,054,777
CURRENT ASSETS			
Stocks	11	503,899	905,251
Debtors	12	5,062,369	4,171,849
Cash at bank		153,325	422,584
		<u>5,719,593</u>	<u>5,499,684</u>
CREDITORS			
Amounts falling due within one year	13	(3,153,371)	(3,042,378)
NET CURRENT ASSETS		<u>2,566,222</u>	<u>2,457,306</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,619,167</u>	<u>4,512,083</u>
CREDITORS			
Amounts falling due after more than one year	14	(316,110)	(399,634)
PROVISIONS FOR LIABILITIES	18	(28,346)	(18,712)
NET ASSETS		<u><u>4,274,711</u></u>	<u><u>4,093,737</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Revaluation reserve	20	(58,112)	14,117
Retained earnings	20	4,332,723	4,079,520
SHAREHOLDERS' FUNDS		<u><u>4,274,711</u></u>	<u><u>4,093,737</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 August 2022 and were signed on its behalf by:

M. D. Rowark

Mr M D Rowark - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 30 September 2021**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 October 2019	100	3,941,876	14,117	3,956,093
Changes in equity				
Dividends	-	(230,650)	-	(230,650)
Total comprehensive income	-	368,294	-	368,294
Balance at 30 September 2020	<u>100</u>	<u>4,079,520</u>	<u>14,117</u>	<u>4,093,737</u>
Changes in equity				
Dividends	-	(86,500)	-	(86,500)
Total comprehensive income	-	339,703	(72,229)	267,474
Balance at 30 September 2021	<u>100</u>	<u>4,332,723</u>	<u>(58,112)</u>	<u>4,274,711</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 September 2021**

1. STATUTORY INFORMATION

Blends Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Sale of goods:

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on despatch date.

Rendering of services:

Turnover from services is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to finalisation of work completed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Plant and machinery	- 25% on cost, 25% on reducing balance and 20% on cost
Motor vehicles	- 25% on reducing balance

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

Government grants

Government grants in relation to expenditure are credited when the expenditure is charged to profit and loss.

Stocks

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

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

2. ACCOUNTING POLICIES - continued

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

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

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:

	30.9.21	30.9.20
	£	£
Products	10,457,607	9,094,953
Service	104,363	227,658
Commission	146	5,809
	<u>10,562,116</u>	<u>9,328,420</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

3. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	30.9.21 £	30.9.20 £
United Kingdom	10,546,577	9,279,751
Europe	15,539	48,669
	<u>10,562,116</u>	<u>9,328,420</u>

4. **EMPLOYEES AND DIRECTORS**

	30.9.21 £	30.9.20 £
Wages and salaries	548,366	491,648
Social security costs	46,766	41,330
Other pension costs	10,843	12,016
	<u>605,975</u>	<u>544,994</u>

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

	30.9.21	30.9.20
Director	1	1
Sales	2	2
Admin	2	2
Production	7	6
Drivers	-	2
Cleaning	2	2
Repack	1	-
Technical	1	-
	<u>16</u>	<u>15</u>

	30.9.21 £	30.9.20 £
Directors' remuneration	52,974	50,808
Directors' pension contributions to money purchase schemes	745	1,752
	<u>53,719</u>	<u>52,560</u>

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

	30.9.21	30.9.20
Money purchase schemes	<u>1</u>	<u>1</u>

5. **OPERATING PROFIT**

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

	30.9.21 £	30.9.20 £
Hire of plant and machinery	19,081	21,095
Depreciation - owned assets	93,109	114,820
Profit on disposal of fixed assets	<u>(11,536)</u>	<u>(15,823)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

6. AUDITORS' REMUNERATION

	30.9.21	30.9.20
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>7,500</u>	<u>5,000</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.9.21	30.9.20
	£	£
Bank interest	9,070	13,148
Hire purchase interest	-	86
	<u>9,070</u>	<u>13,234</u>

8. TAXATION

Analysis of the tax charge

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

	30.9.21	30.9.20
	£	£
Current tax:		
UK corporation tax	114,964	88,777
(Over) under reserve in prior year	45	-
Total current tax	<u>115,009</u>	<u>88,777</u>
Deferred tax	<u>9,634</u>	<u>(24,945)</u>
Tax on profit	<u>124,643</u>	<u>63,832</u>

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:

	30.9.21	30.9.20
	£	£
Profit before tax	<u>392,117</u>	<u>432,126</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	74,502	82,104
Effects of:		
Expenses not deductible for tax purposes	31,425	18,602
Capital allowances in excess of depreciation	(15,631)	(11,954)
Deferred tax	9,634	(24,945)
Under provision of tax in previous year	45	25
Profit of disposal of assets	(2,192)	-
Tax payable under S455	<u>26,860</u>	<u>-</u>
Total tax charge	<u>124,643</u>	<u>63,832</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	30.9.21	
	Gross	Net
	£	£
Revaluation in year	72,229	72,229

	30.9.20	
	Gross	Net
	£	£
Revaluation in year		

9. DIVIDENDS

	30.9.21	30.9.20
	£	£
Ordinary A Shares shares of £1 each Interim	86,500	230,650

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 October 2020	1,850,000	730,756	266,704	2,847,460
Additions	122,229	68,356	-	190,585
Disposals	-	(11,592)	(262,204)	(273,796)
Revaluations	(72,229)	-	-	(72,229)
At 30 September 2021	1,900,000	787,520	4,500	2,692,020
DEPRECIATION				
At 1 October 2020	-	551,711	240,972	792,683
Charge for year	-	93,109	-	93,109
Eliminated on disposal	-	(10,147)	(236,570)	(246,717)
At 30 September 2021	-	634,673	4,402	639,075
NET BOOK VALUE				
At 30 September 2021	1,900,000	152,847	98	2,052,945
At 30 September 2020	1,850,000	179,045	25,732	2,054,777

Cost or valuation at 30 September 2021 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2017	(204,509)	-	-	(204,509)
Valuation in 2019	133,110	-	-	133,110
Valuation in 2021	(72,229)	-	-	(72,229)
Cost	2,043,628	787,520	4,500	2,835,648
	1,900,000	787,520	4,500	2,692,020

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

10. TANGIBLE FIXED ASSETS - continued

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

	30.9.21	30.9.20
	£	£
Cost	2,043,628	1,921,399

Freehold property was valued on an open market basis on 17 December 2021 by Matthews & Goodman.

11. STOCKS

	30.9.21	30.9.20
	£	£
Stocks	503,899	905,251

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.21	30.9.20
	£	£
Trade debtors	2,452,107	1,766,761
Amounts owed by group undertakings	2,300,000	2,300,000
Other debtors	300	2,072
Directors' current accounts	82,646	-
Prepayments	227,316	103,016
	5,062,369	4,171,849

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.21	30.9.20
	£	£
Bank loans and overdrafts (see note 15)	1,059,665	418,159
Trade creditors	1,226,065	1,495,852
Tax	114,964	88,752
Social security and other taxes	10,195	11,039
VAT	549,706	718,303
Other creditors	84,886	296,391
Directors' current accounts	-	1,901
Accrued expenses	107,890	11,981
	3,153,371	3,042,378

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.21	30.9.20
	£	£
Bank loans (see note 15)	316,110	399,634

The bank loan must be repaid by 52 consecutive payments of £7,685.28. Interest is payable at 2% on the principal amount.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

15. LOANS

An analysis of the maturity of loans is given below:

	30.9.21 £	30.9.20 £
Amounts falling due within one year or on demand:		
Bank overdrafts	967,442	325,924
Bank loans	92,223	92,235
	<u>1,059,665</u>	<u>418,159</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>92,235</u>	<u>92,223</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>223,875</u>	<u>276,670</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>30,741</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.21 £	30.9.20 £
Bank overdrafts	967,442	325,924
Bank loans	408,333	491,869
	<u>1,375,775</u>	<u>817,793</u>

Bank loans and overdrafts are secured by way of a debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future.

Hire purchases creditors are secured on the assets to which they relate.

17. FINANCIAL INSTRUMENTS

Blends Limited enters into foreign currency option contracts through the year to mitigate the exchange rate risk for certain foreign currency payables. At 30 September 2021, the company had committed to buy €100,000 which translates to £85,146 using the year-end forex rate.

18. PROVISIONS FOR LIABILITIES

	30.9.21 £	30.9.20 £
Deferred tax	<u>28,346</u>	<u>18,712</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 October 2020	18,712
Provided during year	9,634
Balance at 30 September 2021	<u>28,346</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.9.21	30.9.20
Number:	Class:	Nominal value:	£	£
98	Ordinary A Shares	£1	98	98
1	Ordinary B Shares	£1	1	1
1	Ordinary C Shares	£1	1	1
			<u>100</u>	<u>100</u>

20. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 October 2020	4,079,520	14,117	4,093,637
Profit for the year	267,474		267,474
Dividends	(86,500)		(86,500)
Revaluation in year	72,229	(72,229)	-
At 30 September 2021	<u>4,332,723</u>	<u>(58,112)</u>	<u>4,274,611</u>

21. ULTIMATE PARENT COMPANY

Blends Holdings Limited is regarded by the directors as being the company's ultimate parent company.

Consolidated accounts are available in registered office.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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

	30.9.21 £	30.9.20 £
Mr M D Rowark		
Balance outstanding at start of year	(1,136)	110,904
Amounts advanced	122,630	65,340
Amounts repaid	(61,250)	(177,380)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>60,244</u>	<u>(1,136)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Mr P W Rowark

Balance outstanding at start of year	(436)	12,208
Amounts advanced	29,533	16,841
Amounts repaid	(15,625)	(29,485)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>13,472</u>	<u>(436)</u>

Mr M R Rowark

Balance outstanding at start of year	(330)	2,494
Amounts advanced	18,884	20,961
Amounts repaid	(9,625)	(23,785)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>8,929</u>	<u>(330)</u>

23. GOVERNMENT GRANTS

Grant income is recognised at its fair value in the profit and loss.

	30.09.21 £	30.09.20 £
Capital grant	2,659	2,569
Revenue grant	-	-
	<u>2,659</u>	<u>2,659</u>