

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 30 September 2022
for
Blends Limited**

**Contents of the Financial Statements
for the Year Ended 30 September 2022**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

Blends Limited

**Company Information
for the Year Ended 30 September 2022**

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 2022**

The directors present their strategic report of the company and the group for the year ended 30 September 2022.

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 Limited is a family-owned company which has been trading as a reputable distributor to the food and drinks industry since 1998 celebrating 24 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 fourth financial accounts since the separation.

We are a British Retail Consortium (BRC) accredited company and achieved another AA grade certificate in January 2022. We are one of the largest distributor of packed glycerine in the UK.

This year has seen a difficult year for the Glycerine market, but turnover has continued to rise, due to increased market prices. The company continues to invest heavily in developing the current premises and staff welfare. Our employee number total is 16 for Blends Ltd.

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) and more recently Medium Business of the Year (Knowsley Business Awards 2022)

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. We have an external customs agent who deals with all of our transport and customs declarations, ensuring a smooth process from start to finish of the import of our Glycerine. 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 24 years with major growth in the last 14 years. However, the Glycerine supply has been very volatile this year. The product trebled in price at the beginning of 2022 and in turn has made the market even more competitive. We operate a returnable IBC policy which helps with reducing costs in this area.

The Ukrainian/Russian war created an unprecedented rise in Glycerine prices, which impacted greatly on our overall result this year. It also had and continues to have a knock on effect with availability of Glycerine.

**Strategic Report
for the Year Ended 30 September 2022**

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 focussing on our 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, Citric and Potassium Sorbate.

The last 12 months have seen unprecedented increases in price and shortages of product. However, we are confident that as a business, we have highlighted these issues early enough to ensure we are ahead of the curve going into the next financial year. We hope to continue opening new opportunities to achieve more competitive pricing which benefits the business. The ability for Blends Limited to sell products that are also ingredients to Blends Flavours & Colours Limited, a company under common control, 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 also to new customers. In many instances, there are synergies between the company and Blends Flavours and Colours Limited and new customers to one side of the business often have the potential to buy products or services from the other company too. Therefore, maintaining communication between both Sales Teams of both companies will further support these opportunities.

Our ERP, which went live last year continues to improve our efficiency and traceability processes. It is adaptable to our business needs, so given the right attention, can really improve the 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 28.8%.

2021 - £10,562,116

2022 - £13,607,431

Gross Profit for the fourth financial year as a commodity only company achieved 5.2%, as opposed to 14.0% the previous year. This was due to the increased price of Glycerine in the market.

FUTURE DEVELOPMENT AND RESEARCH

Due to the uncertainty of the Glycerine market this year, there are currently no plans for development until we see a more stable market.

ON BEHALF OF THE BOARD:

Mr M D Rowark - Director

13 December 2023

**Report of the Directors
for the Year Ended 30 September 2022**

The directors present their report with the financial statements of the company for the year ended 30 September 2022.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2022 will be £86,500 (2021: £86,500).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2021 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 Limited (Registered number: 03537679)

**Report of the Directors
for the Year Ended 30 September 2022**

AUDITORS

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

ON BEHALF OF THE BOARD:

Mr M D Rowark - Director

13 December 2023

Report of the Independent Auditors to the Members of Blends Limited

Opinion

We have audited the financial statements of Blends Limited (the 'company') for the year ended 30 September 2022 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 2022 and of its loss 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 Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 Limited

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

13 December 2023

Blends Limited (Registered number: 03537679)

**Income Statement
for the Year Ended 30 September 2022**

	Notes	30.9.22 £	30.9.21 £
TURNOVER	3	13,607,431	10,562,116
Cost of sales		<u>(12,907,104)</u>	<u>(9,082,817)</u>
GROSS PROFIT		700,327	1,479,299
Administrative expenses		<u>(962,238)</u> (261,911)	<u>(1,147,431)</u> 331,868
Other operating income		<u>86,660</u>	<u>67,902</u>
OPERATING (LOSS)/PROFIT	5	<u>(175,251)</u>	<u>399,770</u>
Interest receivable and similar income		<u>5,050</u> (170,201)	<u>1,417</u> 401,187
Interest payable and similar expenses	7	<u>(27,206)</u>	<u>(9,070)</u>
(LOSS)/PROFIT BEFORE TAXATION		<u>(197,407)</u>	<u>392,117</u>
Tax on (loss)/profit	8	<u>46,851</u>	<u>(124,643)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(150,556)</u></u>	<u><u>267,474</u></u>

The notes form part of these financial statements

Blends Limited (Registered number: 03537679)

**Other Comprehensive Income
for the Year Ended 30 September 2022**

	Notes	30.9.22 £	30.9.21 £
(LOSS)/PROFIT FOR THE YEAR		(150,556)	267,474
OTHER COMPREHENSIVE INCOME			
Revaluation in year		-	72,229
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	72,229
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(150,556)	339,703

The notes form part of these financial statements

Blends Limited (Registered number: 03537679)**Balance Sheet
30 September 2022**

	Notes	30.9.22 £	30.9.21 £
FIXED ASSETS			
Tangible assets	10	2,076,994	2,052,945
CURRENT ASSETS			
Stocks	11	895,494	503,899
Debtors	12	6,951,501	5,062,369
Cash at bank		<u>133,206</u>	<u>153,325</u>
		7,980,201	5,719,593
CREDITORS			
Amounts falling due within one year	13	<u>(4,870,739)</u>	<u>(3,153,371)</u>
NET CURRENT ASSETS		<u>3,109,462</u>	<u>2,566,222</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,186,456</u>	<u>4,619,167</u>
CREDITORS			
Amounts falling due after more than one year	14	(1,114,931)	(316,110)
PROVISIONS FOR LIABILITIES	18	<u>(33,870)</u>	<u>(28,346)</u>
NET ASSETS		<u><u>4,037,655</u></u>	<u><u>4,274,711</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Revaluation reserve	20	(58,112)	(58,112)
Retained earnings	20	<u>4,095,667</u>	<u>4,332,723</u>
SHAREHOLDERS' FUNDS		<u><u>4,037,655</u></u>	<u><u>4,274,711</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 13 December 2023 and were signed on its behalf by:

Mr M D Rowark - Director

**Statement of Changes in Equity
for the Year Ended 30 September 2022**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 October 2020	100	4,079,520	14,117	4,093,737
Changes in equity				
Dividends	-	(86,500)	-	(86,500)
Total comprehensive income	-	339,703	(72,229)	267,474
Balance at 30 September 2021	100	4,332,723	(58,112)	4,274,711
Changes in equity				
Dividends	-	(86,500)	-	(86,500)
Total comprehensive income	-	(150,556)	-	(150,556)
Balance at 30 September 2022	100	4,095,667	(58,112)	4,037,655

**Notes to the Financial Statements
for the Year Ended 30 September 2022**

1. STATUTORY INFORMATION

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

Although Blends limited registered address is at Overbrook lane, it primarily operates from Picton House, Knowsley Business Park, Kitling Rd, Knowsley, Prescot, L34 9JA.

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	- Revaluation basis
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.

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 2022**

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 loss (2021 - profit) before taxation are attributable to the one principal activity of the company.

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

	30.9.22	30.9.21
	£	£
Products	13,492,656	10,457,607
Service	114,775	104,363
Commission	-	146
	<u>13,607,431</u>	<u>10,562,116</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	30.9.22	30.9.21
	£	£
United Kingdom	13,584,436	10,546,577
Europe	22,995	15,539
	<u>13,607,431</u>	<u>10,562,116</u>

4. EMPLOYEES AND DIRECTORS

	30.9.22	30.9.21
	£	£
Wages and salaries	509,755	548,366
Social security costs	48,821	46,766
Other pension costs	10,465	10,843
	<u>569,041</u>	<u>605,975</u>

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

	30.9.22	30.9.21
Director	1	1
Sales	2	2
Admin	2	2
Production	7	7
Cleaning	2	2
Repack	1	1
Technical	1	1
	<u>16</u>	<u>16</u>

	30.9.22	30.9.21
	£	£
Directors' remuneration	54,168	52,974
Directors' pension contributions to money purchase schemes	<u>1,761</u>	<u>745</u>

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

Money purchase schemes	<u>-</u>	<u>1</u>
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5. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging/(crediting):

	30.9.22	30.9.21
	£	£
Hire of plant and machinery	12,000	19,081
Depreciation - owned assets	57,574	93,109
Profit on disposal of fixed assets	<u>(12,473)</u>	<u>(11,536)</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

6. AUDITORS' REMUNERATION

	30.9.22	30.9.21
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>9,006</u>	<u>7,500</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.9.22	30.9.21
	£	£
Bank interest	<u>27,206</u>	<u>9,070</u>

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	30.9.22	30.9.21
	£	£
Current tax:		
UK corporation tax	(34,095)	114,964
(Over) under reserve in prior year	<u>(18,280)</u>	<u>45</u>
Total current tax	<u>(52,375)</u>	<u>115,009</u>
Deferred tax	<u>5,524</u>	<u>9,634</u>
Tax on (loss)/profit	<u>(46,851)</u>	<u>124,643</u>

Reconciliation of total tax (credit)/charge included in profit and loss

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

	30.9.22	30.9.21
	£	£
(Loss)/profit before tax	<u>(197,407)</u>	<u>392,117</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(37,507)	74,502
Effects of:		
Expenses not deductible for tax purposes	2,456	31,425
Capital allowances in excess of depreciation	-	(15,631)
Depreciation in excess of capital allowances	3,143	-
Adjustments to tax charge in respect of previous periods	(18,280)	45
Deferred tax	5,524	9,634
Tax payable under S455	-	26,860
Profit of disposal of assets	<u>(2,187)</u>	<u>(2,192)</u>
Total tax (credit)/charge	<u>(46,851)</u>	<u>124,643</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 30 September 2022.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

8. **TAXATION - continued**

	Gross £	30.9.21 Tax £	Net £
Revaluation in year	<u>72,229</u>	<u>-</u>	<u>72,229</u>

9. **DIVIDENDS**

The total distribution of dividends for the year ended 30 September 2022 will be £86,500 (2021: £86,500).

10. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 October 2021	1,900,000	787,520	4,500	2,692,020
Additions	29,729	51,895	-	81,624
Disposals	-	(11,508)	-	(11,508)
At 30 September 2022	<u>1,929,729</u>	<u>827,907</u>	<u>4,500</u>	<u>2,762,136</u>
DEPRECIATION				
At 1 October 2021	-	634,673	4,402	639,075
Charge for year	-	57,549	25	57,574
Eliminated on disposal	-	(11,507)	-	(11,507)
At 30 September 2022	<u>-</u>	<u>680,715</u>	<u>4,427</u>	<u>685,142</u>
NET BOOK VALUE				
At 30 September 2022	<u>1,929,729</u>	<u>147,192</u>	<u>73</u>	<u>2,076,994</u>
At 30 September 2021	<u>1,900,000</u>	<u>152,847</u>	<u>98</u>	<u>2,052,945</u>

Cost or valuation at 30 September 2022 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	<u>2,073,357</u>	<u>827,907</u>	<u>4,500</u>	<u>2,905,764</u>
	<u>1,929,729</u>	<u>827,907</u>	<u>4,500</u>	<u>2,762,136</u>

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

	30.9.22 £	30.9.21 £
Cost	<u>2,073,357</u>	<u>2,043,628</u>

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

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

11. STOCKS

	30.9.22	30.9.21
	£	£
Stocks	<u>895,494</u>	<u>503,899</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.22	30.9.21
	£	£
Trade debtors	3,255,298	2,452,107
Amounts owed by group undertakings	2,300,000	2,300,000
Other debtors	944,245	300
Directors' current accounts	161,676	82,646
Prepayments	<u>290,282</u>	<u>227,316</u>
	<u>6,951,501</u>	<u>5,062,369</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.22	30.9.21
	£	£
Bank loans and overdrafts (see note 15)	72,042	92,223
Other loans (see note 15)	1,899,136	967,442
Trade creditors	2,170,275	1,226,065
Corporation tax	62,589	114,964
Social security and other taxes	14,122	10,195
VAT	579,161	549,706
Other creditors	11,661	84,886
Accrued expenses	<u>61,753</u>	<u>107,890</u>
	<u>4,870,739</u>	<u>3,153,371</u>

Included in creditors due within one year is a bank loan with a 5 year term. The loan bears an interest rate of 2.35% above the Bank of England base rate.

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

	30.9.22	30.9.21
	£	£
Bank loans (see note 15)	<u>1,114,931</u>	<u>316,110</u>

Included in creditors due after one year is a bank loan with a 5 year term. The loan bears an interest rate of 2.35% above the Bank of England base rate.

15. LOANS

An analysis of the maturity of loans is given below:

	30.9.22	30.9.21
	£	£
Amounts falling due within one year or on demand:		
Bank loans	72,042	92,223
Santander invoice financing	<u>1,899,136</u>	<u>967,442</u>
	<u>1,971,178</u>	<u>1,059,665</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

15. LOANS - continued

	30.9.22 £	30.9.21 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>72,042</u>	<u>92,235</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>216,125</u>	<u>223,875</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>826,764</u>	<u>-</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.22 £	30.9.21 £
Bank loans	<u>1,186,973</u>	<u>408,333</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

Last year 2021, Blends Limited entered into foreign currency option contracts through the year to mitigate the exchange rate risk for certain foreign currency payables and had committed to buy €100,000 which translated to £85,146, as at 30 September 2021, using the year- end forex rate.

During current year 2022, the company did not enter into any foreign currency option contracts.

18. PROVISIONS FOR LIABILITIES

	30.9.22 £	30.9.21 £
Deferred tax	<u>33,870</u>	<u>28,346</u>
		Deferred tax
		£
Balance at 1 October 2021		28,346
Charge to Income Statement during year		<u>5,524</u>
Balance at 30 September 2022		<u>33,870</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.22 £	30.9.21 £
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>

There are no restrictions on these shares.

20. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 October 2021	4,332,723	(58,112)	4,274,611
Deficit for the year	(150,556)		(150,556)
Dividends	(86,500)		(86,500)
At 30 September 2022	<u>4,095,667</u>	<u>(58,112)</u>	<u>4,037,555</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 2022 and 30 September 2021:

	30.9.22 £	30.9.21 £
Mr M D Rowark		
Balance outstanding at start of year	60,244	(1,136)
Amounts advanced	135,437	122,630
Amounts repaid	(91,875)	(61,250)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>103,806</u>	<u>60,244</u>
Mr P W Rowark		
Balance outstanding at start of year	13,472	(436)
Amounts advanced	37,259	29,533
Amounts repaid	(15,625)	(15,625)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>35,106</u>	<u>13,472</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

22. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

Mr M R Rowark

Balance outstanding at start of year	8,929	(330)
Amounts advanced	23,459	18,884
Amounts repaid	(9,625)	(9,625)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>22,763</u>	<u>8,929</u>

Loans incur interest at 2% per anum.

23. **POST BALANCE SHEET EVENTS**

On 7 June 2023, a claim was raised against the group by a large supplier for breach of contract. A compensation amount of €200,000 has been agreed in settlement to be paid by Blends Limited and to date €80,000 has been paid. A further €80,000 is due before the end of 2023 and the remainder is to be paid in 2024.

24. **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>

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.