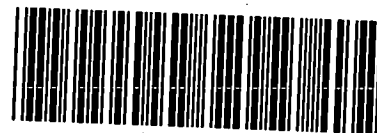


**Poplar Farm Flowers Limited**  
**Strategic Report, Report of the Director and**  
**Audited Financial Statements**  
**for the Year Ended 31 October 2022**

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**Contents of the Financial Statements  
for the Year Ended 31 October 2022**

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	<b>Page</b>
<b>Company information</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Report of the director</b>	<b>3</b>
<b>Report of the independent auditors</b>	<b>4 to 7</b>
<b>Income statement</b>	<b>8</b>
<b>Other comprehensive income</b>	<b>9</b>
<b>Statement of financial position</b>	<b>10</b>
<b>Statement of changes in equity</b>	<b>11</b>
<b>Statement of cash flows</b>	<b>12</b>
<b>Notes to the statement of cash flows</b>	<b>13</b>
<b>Notes to the financial statements</b>	<b>14 to 22</b>

# **Poplar Farm Flowers Limited**

## **Company Information for the Year Ended 31 October 2022**

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**Director:** A W Ellis

**Secretary:** I White

**Registered office:** Poplar Farm  
Old Fendyke Road  
Sutton St James  
Spalding  
Lincolnshire  
PE12 0HE

**Registered number:** 04928971 (England and Wales)

**Auditors:** Moore Thompson  
Bank House  
Broad Street  
Spalding  
Lincolnshire  
PE11 1TB

**Strategic Report  
for the Year Ended 31 October 2022**

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The director presents his strategic report for the year ended 31 October 2022.

**Review of business**

The company is a specialist supplier of UK-grown cut flowers to UK retail suppliers.

**Principal risks and uncertainties**

The business environment in this sector continues to experience price pressure due to constraints on consumer spending, against a background of increasing costs, leading to significant impact on trading margins. In common with others in the horticultural sector, the supply for seasonal labour is a significant challenge, along with strains in the supply chain as we emerge from the Covid 19 pandemic.

The management team continue investing in the business to develop technologically advanced production facilities to meet the challenges that these pressures create.

The key risks and uncertainties facing the business in this post-Brexit period are uncertain consumer demand, the availability of appropriately skilled labour, the exchange rate and rising fuel and distribution costs. The company has structured its funding in order to provide flexibility and promote sustainable growth.

In common with all businesses, the company has been impacted by the economic impact of the global coronavirus pandemic. This has disrupted sales and supplies at times. However, the management have worked closely with customers, suppliers and staff throughout this period to maintain supplies, monitor cashflow and ensure the long term sustainability of the business.

**Development and performance**

The company has invested to mitigate its business risk in the last twelve months by:

- Investing in further automating the production and packing facilities;
- Focussing its product range in line with market demand;
- Developing its customer focus and strengthening its relationships;
- Strengthening the management team.
- Forming closer alliances with key suppliers.

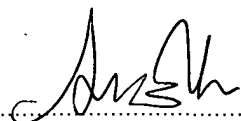
**Financial key performance indicators**

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company, these being gross profit and profit before tax. The gross profit increased by 5%. The profit before tax increased by £120,413, reflecting the increase in turnover and gross profit.

**Future developments**

The company aims to maintain the management policies that have resulted in the company's growth in recent years, seeking to maintain the gross profit margin and promote the long term development of the business.

**On behalf of the board:**



.....  
A W Ellis - Director

Date: 19.1.2023

**Report of the Director  
for the Year Ended 31 October 2022**

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The director presents his report with the financial statements of the company for the year ended 31 October 2022.

**Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

**Director**

A W Ellis held office during the whole of the period from 1 November 2021 to the date of this report.

**Disclosure of information in the strategic report**

The directors in accordance with section 414C (11) of the Companies Act 2006 Regulations 2013, have prepared the company's strategic report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations as per page 1.

**Statement of director's responsibilities**

The director is responsible for preparing the Strategic report, the Report of the director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

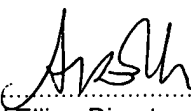
**Statement as to disclosure of information to auditors**

So far as the director is 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 he 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.

**Auditors**

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

**On behalf of the board:**



.....  
A W Ellis - Director

Date: 19.1.2023 .....

### **Opinion**

We have audited the financial statements of Poplar Farm Flowers Limited (the 'company') for the year ended 31 October 2022 which comprise the Income statement, Other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and Notes to the statement of cash flows, Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic report and the Report of the director, 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 director 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 director have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of director's responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;



**Report of the Independent Auditors to the Members of  
Poplar Farm Flowers Limited**

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- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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.



Andrew Heskin MSc FCA (Senior Statutory Auditor)  
for and on behalf of Moore Thompson  
Bank House  
Broad Street  
Spalding  
Lincolnshire  
PE11 1TB

Date: 19.1.2023

**Income Statement**  
for the Year Ended 31 October 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	4	19,352,171	16,998,449
Cost of sales		<u>17,658,329</u>	<u>15,388,858</u>
<b>Gross profit</b>		1,693,842	1,609,591
Administrative expenses		<u>1,112,716</u>	<u>1,122,904</u>
		581,126	486,687
Other operating income		<u>26,100</u>	<u>126</u>
<b>Operating profit</b>	7	607,226	486,813
Interest payable and similar expenses	9	<u>105,333</u>	<u>98,945</u>
<b>Profit before taxation</b>		501,893	387,868
Tax on profit	10	<u>111,003</u>	<u>240,389</u>
<b>Profit for the financial year</b>		<u><u>390,890</u></u>	<u><u>147,479</u></u>

The notes form part of these financial statements

**Poplar Farm Flowers Limited (Registered number: 04928971)**

**Other Comprehensive Income  
for the Year Ended 31 October 2022**

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	Notes	2022 £	2021 £
Profit for the year		390,890	147,479
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>390,890</u>	<u>147,479</u>

The notes form part of these financial statements

**Statement of Financial Position**  
**31 October 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	3,742,292	3,817,564
<b>Current assets</b>			
Stocks	13	958,041	504,197
Debtors	14	7,839,668	4,997,547
Cash at bank and in hand		<u>1,516,128</u>	<u>718,955</u>
		10,313,837	6,220,699
<b>Creditors</b>			
Amounts falling due within one year	15	<u>8,260,159</u>	<u>4,605,605</u>
<b>Net current assets</b>		<u>2,053,678</u>	<u>1,615,094</u>
<b>Total assets less current liabilities</b>		5,795,970	5,432,658
<b>Creditors</b>			
Amounts falling due after more than one year	16	(982,352)	(1,039,531)
<b>Provisions for liabilities</b>	20	<u>(753,761)</u>	<u>(694,560)</u>
<b>Net assets</b>		<u><u>4,059,857</u></u>	<u><u>3,698,567</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	10,000	10,000
Retained earnings	22	<u>4,049,857</u>	<u>3,688,567</u>
<b>Shareholders' funds</b>		<u><u>4,059,857</u></u>	<u><u>3,698,567</u></u>

The financial statements were approved by the director and authorised for issue on 19.12.23 and were signed by:

  
A W Ellis - Director

**Statement of Changes in Equity  
for the Year Ended 31 October 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 November 2020</b>	10,000	3,601,088	3,611,088
<b>Changes in equity</b>			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	<u>147,479</u>	<u>147,479</u>
<b>Balance at 31 October 2021</b>	<u>10,000</u>	<u>3,688,567</u>	<u>3,698,567</u>
<b>Changes in equity</b>			
Dividends	-	(29,600)	(29,600)
Total comprehensive income	-	<u>390,890</u>	<u>390,890</u>
<b>Balance at 31 October 2022</b>	<u>10,000</u>	<u>4,049,857</u>	<u>4,059,857</u>

**Statement of Cash Flows  
for the Year Ended 31 October 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,650,461	88,082
Interest paid		(20,440)	(20,047)
Interest element of hire purchase payments paid		(84,893)	(78,898)
Tax paid		<u>(12,990)</u>	<u>-</u>
Net cash from operating activities		<u>1,532,138</u>	<u>(10,863)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(534,319)	(563,180)
Sale of tangible fixed assets		<u>3,000</u>	<u>-</u>
Net cash from investing activities		<u>(531,319)</u>	<u>(563,180)</u>
<b>Cash flows from financing activities</b>			
New finance in year		339,198	731,135
Loan repayments in year		(76,904)	(129,943)
Capital repayments in year		(436,340)	(457,708)
Amount withdrawn by directors		-	(30,000)
Equity dividends paid		<u>(29,600)</u>	<u>(60,000)</u>
Net cash from financing activities		<u>(203,646)</u>	<u>53,484</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>797,173</u>	<u>(520,559)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>718,955</u>	<u>1,239,514</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,516,128</u></u>	<u><u>718,955</u></u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows  
for the Year Ended 31 October 2022**

**1. Reconciliation of profit before taxation to cash generated from operations**

	2022	2021
	£	£
Profit before taxation	501,893	387,868
Depreciation charges	601,049	564,597
Loss on disposal of fixed assets	5,542	-
Finance costs	105,333	98,945
	<u>1,213,817</u>	<u>1,051,410</u>
Increase in stocks	(453,844)	(57,507)
Increase in trade and other debtors	(2,842,121)	(3,718,200)
Increase in trade and other creditors	<u>3,732,609</u>	<u>2,812,379</u>
<b>Cash generated from operations</b>	<u><u>1,650,461</u></u>	<u><u>88,082</u></u>

**2. Cash and cash equivalents**

The amounts disclosed on the Statement of cash flows in respect of cash and cash equivalents are in respect of these Statement of financial position amounts:

**Year ended 31 October 2022**

	31.10.22	1.11.21
	£	£
Cash and cash equivalents	<u><u>1,516,128</u></u>	<u><u>718,955</u></u>

**Year ended 31 October 2021**

	31.10.21	1.11.20
	£	£
Cash and cash equivalents	<u><u>718,955</u></u>	<u><u>1,239,514</u></u>

**3. Analysis of changes in net debt**

	At 1.11.21	Cash flow	At 31.10.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>718,955</u>	<u>797,173</u>	<u>1,516,128</u>
	<u>718,955</u>	<u>797,173</u>	<u>1,516,128</u>
<b>Debt</b>			
Finance leases	(1,219,274)	97,140	(1,122,134)
Debts falling due within 1 year	(76,769)	(352)	(77,121)
Debts falling due after 1 year	<u>(224,379)</u>	<u>77,258</u>	<u>(147,121)</u>
	<u>(1,520,422)</u>	<u>174,046</u>	<u>(1,346,376)</u>
<b>Total</b>	<u><u>(801,467)</u></u>	<u><u>971,219</u></u>	<u><u>169,752</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 October 2022**

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**1. Statutory information**

Poplar Farm Flowers 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.

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

**2. Statement of compliance**

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.

**3. Accounting policies**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Estimation of useful life**

The useful economic life used to amortise intangible assets and depreciate tangible fixed assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset.

**Estimation of residual value**

The residual value of an asset is the estimated fair value of that asset at the end of its useful economic life and therefore is also dependent upon the estimation of that life span.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.



**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022**

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**3. Accounting policies - continued**

**Tangible fixed assets**

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

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- Not depreciated / 2% straight line
Plant and machinery	- 5 / 10 / 15 years straight line / 20% reducing balance
Fixtures and fittings	- 4 years straight line
Equipment	- 20% reducing balance / 3 years straight line

**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**

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**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 statement of financial position date.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022**

**3. Accounting policies - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

**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.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**4. Turnover**

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

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

	2022 £	2021 £
Sale of goods	<u>19,352,171</u>	<u>16,998,449</u>
	<u>19,352,171</u>	<u>16,998,449</u>

**5. Employees and directors**

	2022 £	2021 £
Wages and salaries	1,596,858	1,453,998
Social security costs	145,195	142,772
Other pension costs	<u>27,938</u>	<u>29,979</u>
	<u>1,769,991</u>	<u>1,626,749</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

5. **Employees and directors - continued**

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

	2022	2021
Management staff	3	3
Administrative staff	3	3
Production staff	<u>57</u>	<u>57</u>
	<u>63</u>	<u>63</u>

6. **Directors' emoluments**

	2021 £	2020 £
Director's remuneration	52,760	46,925
Director's retirement benefits	<u>8,182</u>	<u>8,182</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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7. **Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation - owned assets	601,049	564,597
Loss on disposal of fixed assets	5,542	-
Foreign currency exchange rate movement	<u>2,063</u>	<u>13,228</u>

8. **Auditors' remuneration**

	2022 £	2021 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>10,500</u>	<u>10,650</u>

9. **Interest payable and similar expenses**

	2022 £	2021 £
Bank interest	5	49
Loan interest	20,435	19,998
Hire purchase interest	<u>84,893</u>	<u>78,898</u>
	<u>105,333</u>	<u>98,945</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

10. **Taxation**

**Analysis of the tax charge**

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

	2022 £	2021 £
Current tax:		
UK corporation tax	51,802	12,990
Deferred tax	<u>59,201</u>	<u>227,399</u>
Tax on profit	<u>111,003</u>	<u>240,389</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:

	2022 £	2021 £
Profit before tax	<u>501,893</u>	<u>387,868</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	95,360	73,695
Effects of:		
Expenses not deductible for tax purposes	1,435	-
Capital allowances in excess of depreciation	(44,993)	(57,307)
Deferred tax movement	59,201	227,399
Tax losses available	-	<u>(3,398)</u>
Total tax charge	<u>111,003</u>	<u>240,389</u>

11. **Dividends**

	2022 £	2021 £
Ordinary C Shares of £1 each		
Final	<u>29,600</u>	<u>60,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

12. **Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Totals £
<b>Cost</b>					
At 1 November 2021	385,625	5,667,363	2,982	5,526	6,061,496
Additions	-	534,319	-	-	534,319
Disposals	-	(156,736)	-	(1,134)	(157,870)
At 31 October 2022	<u>385,625</u>	<u>6,044,946</u>	<u>2,982</u>	<u>4,392</u>	<u>6,437,945</u>
<b>Depreciation</b>					
At 1 November 2021	7,688	2,228,828	2,982	4,434	2,243,932
Charge for year	1,098	599,405	-	546	601,049
Eliminated on disposal	-	(148,194)	-	(1,134)	(149,328)
At 31 October 2022	<u>8,786</u>	<u>2,680,039</u>	<u>2,982</u>	<u>3,846</u>	<u>2,695,653</u>
<b>Net book value</b>					
At 31 October 2022	<u>376,839</u>	<u>3,364,907</u>	<u>-</u>	<u>546</u>	<u>3,742,292</u>
At 31 October 2021	<u>377,937</u>	<u>3,438,535</u>	<u>-</u>	<u>1,092</u>	<u>3,817,564</u>

13. **Stocks**

	2022 £	2021 £
Raw materials and consumables	<u>958,041</u>	<u>504,197</u>

14. **Debtors: amounts falling due within one year**

	2022 £	2021 £
Trade debtors	851,508	776,086
Amounts owed by related parties	<u>6,988,160</u>	<u>4,221,461</u>
	<u>7,839,668</u>	<u>4,997,547</u>

15. **Creditors: amounts falling due within one year**

	2022 £	2021 £
Bank loans and overdrafts (see note 17)	77,121	76,769
Hire purchase contracts (see note 18)	286,903	404,122
Trade creditors	1,495,655	496,317
Corporation tax	51,802	12,990
Social security and other taxes	29,463	18,659
VAT	43,695	138,608
Other creditors	22,599	44,174
Amounts owed to related parties	6,066,991	3,247,440
Accruals and deferred income	<u>185,930</u>	<u>166,526</u>
	<u>8,260,159</u>	<u>4,605,605</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022**

**16. Creditors: amounts falling due after more than one year**

	2022 £	2021 £
Bank loans (see note 17)	147,121	224,379
Hire purchase contracts (see note 18)	835,231	815,152
	<u>982,352</u>	<u>1,039,531</u>

**17. Loans**

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	<u>77,121</u>	<u>76,769</u>
Amounts falling due between one and two years:		
Bank loans	<u>77,121</u>	<u>76,769</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>34,696</u>	<u>103,638</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>35,304</u>	<u>43,972</u>

**18. Leasing agreements**

Minimum lease payments fall due as follows:

	Hire purchase contracts 2022 £	2021 £
Net obligations repayable:		
Within one year	286,903	404,122
Between one and five years	<u>835,231</u>	<u>815,152</u>
	<u>1,122,134</u>	<u>1,219,274</u>

	Non-cancellable operating leases 2022 £	2021 £
Within one year	5,683	5,683
Between one and five years	<u>5,209</u>	<u>10,893</u>
	<u>10,892</u>	<u>16,576</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022**

**19. Secured debts**

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	224,242	301,148
Hire purchase contracts	<u>1,122,134</u>	<u>1,219,274</u>
	<u>1,346,376</u>	<u>1,520,422</u>

The bank loans are secured by fixed and floating charges over the assets of the business.

**20. Provisions for liabilities**

	2022 £	2021 £
Deferred tax		
Deferred tax	694,560	467,161
Deferred tax movement	<u>59,201</u>	<u>227,399</u>
	<u>753,761</u>	<u>694,560</u>

	Deferred tax £
Balance at 1 November 2021	694,560
Provided during year	<u>59,201</u>
Balance at 31 October 2022	<u>753,761</u>

**21. Called up share capital**

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2022 £	2021 £
7,000	Ordinary A shares	£1	7,000	7,000
1,500	Ordinary B shares	£1	1,500	1,500
1,500	Ordinary C shares	£1	<u>1,500</u>	<u>1,500</u>
			<u>10,000</u>	<u>10,000</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022**

**22. Reserves**

	Retained earnings £
At 1 November 2021	3,688,567
Profit for the year	390,890
Dividends	<u>(29,600)</u>
At 31 October 2022	<u>4,049,857</u>

**23. Capital commitments**

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>782,404</u>	<u>228,300</u>

Amounts disclosed as capital commitment are due to be paid within 12 months of the year end. For tangible assets to be brought into use in the next 12 months.

**24. Related party disclosures**

**Other related parties**

	2022 £	2021 £
Expenses recharged to A & H Nurseries Ltd	268,150	150,000
Stock from A & H Nurseries Ltd	3,736,906	3,713,452
Stock from AWE Horticulture	5,865,228	6,050,651
Expenses recharged from AWE Horticulture	120,000	110,000
Amounts owed from AWE Horticulture	6,988,160	4,221,460
Amounts owed to A & H Nurseries Ltd	<u>6,066,991</u>	<u>3,247,440</u>

Poplar Farm Flowers Limited works closely with the following entities:

A & H Nurseries Limited, a company of which A W Ellis is a director and shareholder.

AWE Horticulture, a business owned by A W Ellis.