

Poplar Farm Flowers Limited
Strategic Report, Report of the Director and
Audited Financial Statements
for the Year Ended 31 October 2021



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for the Year Ended 31 October 2021**

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Poplar Farm Flowers Limited

**Company Information
for the Year Ended 31 October 2021**

Director: A W Ellis

Secretary: Mrs V K Oldershaw-Ellis

Registered office: Poplar Farm
Old Fendyke
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 2021**

The director presents his strategic report for the year ended 31 October 2021.

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 during the ongoing 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 risk and uncertainty facing the business in this post-Brexit period is uncertain consumer demand, the availability of appropriately skilled labour, the exchange rate and the competitiveness of imports. 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.

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 after tax. The gross profit increased by 25%. The profit after tax decreased by £119,949 reflecting the increase in turnover and gross profit, and the increase in deferred tax provision now being at 25%.

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: 31/1/2022

**Report of the Director
for the Year Ended 31 October 2021**

The director presents his report with the financial statements of the company for the year ended 31 October 2021.

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 2020 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.

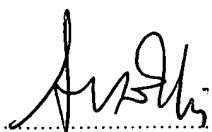
Statement as to disclosure of information to auditors

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: 31/1/2022

Opinion

We have audited the financial statements of Poplar Farm Flowers Limited (the 'company') for the year ended 31 October 2021 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 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 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**

- 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. 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.



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

Date: 3.2.2022

**Income Statement
for the Year Ended 31 October 2021**

	Notes	2021 £	2020 £
Turnover	4	16,998,449	14,890,995
Cost of sales		<u>15,388,858</u>	<u>13,600,558</u>
Gross profit		1,609,591	1,290,437
Administrative expenses		<u>1,122,904</u>	<u>880,838</u>
		486,687	409,599
Other operating income		<u>126</u>	<u>-</u>
Operating profit	7	486,813	409,599
Interest payable and similar expenses	9	<u>98,945</u>	<u>79,440</u>
Profit before taxation		387,868	330,159
Tax on profit	10	<u>240,389</u>	<u>62,731</u>
Profit for the financial year		<u><u>147,479</u></u>	<u><u>267,428</u></u>

The notes form part of these financial statements

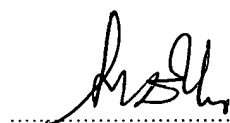
**Other Comprehensive Income
for the Year Ended 31 October 2021**

	Notes	2021 £	2020 £
Profit for the year		147,479	267,428
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>147,479</u>	<u>267,428</u>

Statement of Financial Position
31 October 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,817,564	3,818,981
Current assets			
Stocks	13	504,197	446,690
Debtors	14	4,997,547	1,279,347
Cash at bank and in hand		<u>718,955</u>	<u>1,239,514</u>
		6,220,699	2,965,551
Creditors			
Amounts falling due within one year	15	<u>4,605,605</u>	<u>1,838,173</u>
Net current assets		<u>1,615,094</u>	<u>1,127,378</u>
Total assets less current liabilities		5,432,658	4,946,359
Creditors			
Amounts falling due after more than one year	16	(1,039,531)	(868,110)
Provisions for liabilities	20	<u>(694,560)</u>	<u>(467,161)</u>
Net assets		<u><u>3,698,567</u></u>	<u><u>3,611,088</u></u>
Capital and reserves			
Called up share capital	21	10,000	10,000
Retained earnings	22	<u>3,688,567</u>	<u>3,601,088</u>
Shareholders' funds		<u><u>3,698,567</u></u>	<u><u>3,611,088</u></u>

The financial statements were approved by the director and authorised for issue on 31/1/2022 and were signed by:



A W Ellis - Director

**Statement of Changes in Equity
for the Year Ended 31 October 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2019	10,000	3,436,160	3,446,160
Changes in equity			
Dividends	-	(102,500)	(102,500)
Total comprehensive income	-	267,428	267,428
Balance at 31 October 2020	<u>10,000</u>	<u>3,601,088</u>	<u>3,611,088</u>
Changes in equity			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	147,479	147,479
Balance at 31 October 2021	<u>10,000</u>	<u>3,688,567</u>	<u>3,698,567</u>

**Statement of Cash Flows
for the Year Ended 31 October 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	88,082	1,917,624
Interest paid		(20,047)	(18,588)
Interest element of hire purchase payments paid		(78,898)	(60,852)
Tax paid		-	30,462
Net cash from operating activities		(10,863)	1,868,646
Cash flows from investing activities			
Purchase of tangible fixed assets		(563,180)	(628,436)
Sale of tangible fixed assets		-	3,750
Net cash from investing activities		(563,180)	(624,686)
Cash flows from financing activities			
New finance in year		731,135	36,157
Loan repayments in year		(129,943)	(118,424)
Capital repayments in year		(457,708)	(364,287)
Amount introduced by directors		-	30,000
Amount withdrawn by directors		(30,000)	-
Equity dividends paid		(60,000)	(102,500)
Net cash from financing activities		53,484	(519,054)
(Decrease)/increase in cash and cash equivalents		(520,559)	724,906
Cash and cash equivalents at beginning of year	2	1,239,514	514,608
Cash and cash equivalents at end of year	2	718,955	1,239,514

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
for the Year Ended 31 October 2021**

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

	2021 £	2020 £
Profit before taxation	387,868	330,159
Depreciation charges	564,597	495,210
Loss on disposal of fixed assets	-	7,250
Finance costs	<u>98,945</u>	<u>79,440</u>
	1,051,410	912,059
Increase in stocks	(57,507)	(155,771)
(Increase)/decrease in trade and other debtors	(3,718,200)	463,507
Increase in trade and other creditors	<u>2,812,379</u>	<u>697,829</u>
Cash generated from operations	<u><u>88,082</u></u>	<u><u>1,917,624</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 2021

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

Year ended 31 October 2020

	31.10.20 £	1.11.19 £
Cash and cash equivalents	<u><u>1,239,514</u></u>	<u><u>514,608</u></u>

3. Analysis of changes in net debt

	At 1.11.20 £	Cash flow £	At 31.10.21 £
Net cash			
Cash at bank and in hand	<u>1,239,514</u>	<u>(520,559)</u>	<u>718,955</u>
	<u>1,239,514</u>	<u>(520,559)</u>	<u>718,955</u>
Debt			
Finance leases	(945,848)	(273,426)	(1,219,274)
Debts falling due within 1 year	(129,290)	52,521	(76,769)
Debts falling due after 1 year	<u>(301,801)</u>	<u>77,422</u>	<u>(224,379)</u>
	<u>(1,376,939)</u>	<u>(143,483)</u>	<u>(1,520,422)</u>
Total	<u><u>(137,425)</u></u>	<u><u>(664,042)</u></u>	<u><u>(801,467)</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 October 2021**

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 2021**

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 2021**

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:

	2021 £	2020 £
Sale of goods	16,998,449	14,890,995
	<u>16,998,449</u>	<u>14,890,995</u>

5. Employees and directors

	2021 £	2020 £
Wages and salaries	1,453,998	1,298,326
Social security costs	142,772	103,913
Other pension costs	29,979	25,952
	<u>1,626,749</u>	<u>1,428,191</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

5. Employees and directors - continued

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

	2021	2020
Management staff	3	3
Administrative staff	3	3
Production staff	<u>57</u>	<u>52</u>
	<u>63</u>	<u>58</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>
------------------------	----------	----------

7. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	564,597	495,210
Loss on disposal of fixed assets	-	7,250
Foreign currency exchange rate movement	<u>13,228</u>	<u>12,336</u>

8. Auditors' remuneration

	2021 £	2020 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>10,650</u>	<u>10,150</u>

9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest	49	282
Loan interest	19,998	18,306
Hire purchase interest	<u>78,898</u>	<u>60,852</u>
	<u>98,945</u>	<u>79,440</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

10. **Taxation**

Analysis of the tax charge

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

	2021 £	2020 £
Current tax:		
UK corporation tax	12,990	-
Deferred tax	<u>227,399</u>	<u>62,731</u>
Tax on profit	<u>240,389</u>	<u>62,731</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:

	2021 £	2020 £
Profit before tax	<u>387,868</u>	<u>330,159</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	73,695	62,730
Effects of:		
Capital allowances in excess of depreciation	(57,307)	(67,506)
Deferred tax movement	227,399	62,731
Loss on disposal of assets	-	1,378
Tax losses available	<u>(3,398)</u>	<u>3,398</u>
Total tax charge	<u>240,389</u>	<u>62,731</u>

11. **Dividends**

	2021 £	2020 £
Ordinary A shares shares of £1 each		
Final	-	42,500
Ordinary C shares shares of £1 each		
Final	<u>60,000</u>	<u>60,000</u>
	<u>60,000</u>	<u>102,500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

12. **Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Totals £
Cost					
At 1 November 2020	385,625	5,105,821	2,982	3,888	5,498,316
Additions	-	561,542	-	1,638	563,180
At 31 October 2021	385,625	5,667,363	2,982	5,526	6,061,496
Depreciation					
At 1 November 2020	6,589	1,666,356	2,982	3,408	1,679,335
Charge for year	1,099	562,472	-	1,026	564,597
At 31 October 2021	7,688	2,228,828	2,982	4,434	2,243,932
Net book value					
At 31 October 2021	377,937	3,438,535	-	1,092	3,817,564
At 31 October 2020	379,036	3,439,465	-	480	3,818,981

13. **Stocks**

	2021 £	2020 £
Raw materials and consumables	504,197	446,690

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

	2021 £	2020 £
Trade debtors	776,086	384,212
Amounts owed by related parties	4,221,461	895,135
	4,997,547	1,279,347

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

	2021 £	2020 £
Bank loans and overdrafts (see note 17)	76,769	129,290
Hire purchase contracts (see note 18)	404,122	379,539
Trade creditors	496,317	730,884
Corporation tax	12,990	-
Social security and other taxes	18,659	17,344
VAT	138,608	326,557
Other creditors	44,174	22,550
Amounts owed to related parties	3,247,440	192,058
Directors' current accounts	-	30,000
Accruals and deferred income	166,526	9,951
	4,605,605	1,838,173

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

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

	2021 £	2020 £
Bank loans (see note 17)	224,379	301,801
Hire purchase contracts (see note 18)	<u>815,152</u>	<u>566,309</u>
	<u>1,039,531</u>	<u>868,110</u>

17. Loans

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank loans	<u>76,769</u>	<u>129,290</u>
Amounts falling due between one and two years:		
Bank loans	<u>76,769</u>	<u>75,859</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>103,638</u>	<u>170,911</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>43,972</u>	<u>55,031</u>

18. Leasing agreements

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021 £	2020 £
Net obligations repayable:		
Within one year	404,122	379,539
Between one and five years	<u>815,152</u>	<u>566,309</u>
	<u>1,219,274</u>	<u>945,848</u>

	Non-cancellable operating leases	
	2021 £	2020 £
Within one year	5,683	4,436
Between one and five years	<u>10,893</u>	<u>-</u>
	<u>16,576</u>	<u>4,436</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

19. **Secured debts**

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	301,148	431,091
Hire purchase contracts	<u>1,219,274</u>	<u>945,848</u>
	<u>1,520,422</u>	<u>1,376,939</u>

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

20. **Provisions for liabilities**

	2021 £	2020 £
Deferred tax		
Deferred tax	467,161	404,430
Deferred tax movement	<u>227,399</u>	<u>62,731</u>
	<u>694,560</u>	<u>467,161</u>

	Deferred tax £
Balance at 1 November 2020	467,161
Provided during year	<u>227,399</u>
Balance at 31 October 2021	<u>694,560</u>

21. **Called up share capital**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
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 2021

22. Reserves

	Retained earnings £
At 1 November 2020	3,601,088
Profit for the year	147,479
Dividends	<u>(60,000)</u>
At 31 October 2021	<u>3,688,567</u>

23. Capital commitments

	2021 £	2020 £
Contracted but not provided for in the financial statements	<u>228,300</u>	<u>169,285</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

	2021 £	2020 £
Sales	150,000	160,000
Purchases	9,874,104	9,123,156
Amount due from related party	4,221,460	895,135
Amount due to related party	<u>3,247,440</u>	<u>192,058</u>