

Company Registration No. 06938838 (England and Wales)

Product Care Trading Limited

(Formerly G2S Limited)

**Annual report and financial statements
for the year ended 30 June 2022**

Product Care Trading Limited
(Formerly G2S Limited)
Company information

Directors	J P Cohring J Donaghy S P Fisher G Hamer L C Moore
Company number	06938838
Registered office	Green Bank Business Park Swan Lane Hindley Green Wigan WN2 4AY
Independent auditor	Saffery Champness LLP Trinity 16 John Dalton Street Manchester M2 6HY

**Product Care Trading Limited
(Formerly G2S Limited)
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Product Care Trading Limited
(Formerly G2S Limited)
Strategic report
For the year ended 30 June 2022

The directors present the strategic report for the year ended 30 June 2022.

Fair review of the business

FY2022 was a challenging time for many businesses, including importers, as we faced into supply chain disruptions, rising costs to operate and global economic uncertainty.

During the year under review (July 2021 to June 2022) the developing world shipping crisis worsened with prices at the peak being close to \$15k per container, up nearly 10-fold from their pre-COVID pandemic levels. Although shipping prices were at an all-time high, the freight service levels were at an all-time low with unreliable shipping schedules, lack of shipping capacity and delays at the quay causing disruptions to the supply chain.

Whilst we negotiated our way through supply chain disruptions, we were also faced with rising costs both at home and abroad. Inflation, that was already starting to show in late 2021 was compounded by the conflict in Ukraine in early 2022 resulting in the costs directly associated to our distribution model, such as fuel and road transport increasing dramatically. Our overseas suppliers, facing into financial pressures of their own, increased their prices to us several times during the year.

Towards the end of the financial period, we saw the start of the decline of Sterling against the US Dollar; a key currency pairing for the business. The decline has continued beyond our June 2022 year end, and at the balance sheet date the rate was 1.22 having fallen from 1.37 in June 2021.

We endeavoured to absorb many of the cost pressures, but eventually had no choice but to pass some of those costs on to our customers.

In light of the aforementioned challenges the directors are pleased with the results for the year. Whilst not as profitable as the previous, in many ways the directors consider FY2022 to be a greater success, illustrating both resilience and stability of the Group. The directors would like to record thanks to all of our colleagues for their valued contribution in such challenging times.

See the table below for a summary of the performance and our Key Performance indicators which are Turnover, Profit After Tax and Net Debt.

Fair Review of the Business (continued)

Actual Performance			
	2022	2021	2020
Turnover	71,231,263	73,183,400	51,464,834
YOY Change	-2.7%	+42.2%	+11.2%
2 Year Change	+38.4%	+58.11%	n/a
Profit after tax	3,599,052	3,885,876	1,928,218
YOY Change	-7.4%	+101.5%	+212.1%
2 Year Change	+86.7%	528.9%	n/a
Cash/Net Debt	(6,685,118)	(571,480)	(2,732,543)
YOY Change £	-6,113,638	+2,161,063	+3,904,045
2 year Change £	-3,952,575	+6,065,108	n/a

At the balance sheet date, the company had net assets of £9,414,847 (2021 - £11,615,795). The directors believe the company's balance sheet to be financially robust particularly given that net current assets were £9,262,884 (2021 - £11,410,795).

Principle Risks and Uncertainties

The principal risks and uncertainties facing the Group are as follows:

- Rising cost prices from our suppliers driven by increasing labour and raw materials costs.
 - The directors manage this risk via strong sourcing capability, our China infrastructure and by maintaining strong long term relationships factories and strategic partnerships with key suppliers.
- Exposure to foreign currency fluctuations.
 - The directors consistently monitor foreign currency markets and where possible will forward buy currency to ensure that as far as possible fluctuations have limited impact on the Groups' trading results and cash flows.
- Increased competition.
 - The Group continues to refresh and develop its licensed core product ranges as well as investing in our own private label brands, entering new categories and channels and investing in sustainable retail relationships.
- Over Reliance on a single business factor
 - The directors are aware of the risk associated with over reliance on a single business factor, be that a single customer, supplier, geography, product category or brand. This risk is monitored regularly and considered in all new strategic decisions. Where possible steps are taken to diversify and mitigate any impact from this risk.
- Hyper inflation
 - Whilst the 'cost of living crisis' is largely driven by events outside of the directors control the directors closely monitor its effects. Where possible, appropriate prices are locked to protect against inflation. Where cost increases, and therefore selling price increases, cannot be avoided the directors continuously look to drive efficiencies and reduce consumption to mitigate.

Section 172 Statement

Employees

During the period under review, the group employed an average of 76 employees (2021 : 67).

Our office-based colleagues continue to enjoy the flexibility of home working which has meant that the board and senior team put even more focus on regular communication updates on business performance and developments in order to keep teams well informed. The business has also invested in additional incentives and employee engagement activities throughout the year. Despite the challenges, we have continued to invest in training which has been remote where necessary. We have also provided resources to support colleagues with their mental health, including mental health first aiders and signposting of support material and services.

Environment and sustainability

The company continues to work on its sustainability strategy which includes our commitment to reduce our 'in scope' carbon emissions by focussing on product re-engineering, home delivery efficiency and on-site operations, including recycling and energy saving initiatives. We have clear KPIs in place which are reviewed on a regular basis and work with accredited partners to ensure we are well informed and operating within regulatory parameters. We are working closely with our overseas factories to ensure they are aligned with our objectives.

Customers

The group recognises that in today's competitive market, success hinges on our customers being satisfied with both our product and service level. This applies to both our direct retailer customers and the end consumer. We strive to be flexible in our approach and to address each of our customers' needs so that we can deliver the product and service they expect.

Suppliers

Management values its relationship with suppliers. We have a select panel and once onboarded the relationships usually last many years with a common goal for long term mutual success.

High standards and business conduct

The business is committed to a core set of cultural values which are intrinsic to how we treat our people, our suppliers and our customers. This culture is also reflected in our recruitment process, our induction program and ongoing colleague training and engagement. We ensure that colleagues are aware of and receive periodic updates on our HR policies including areas such as Diversity, Bribery & Corruption and Pricing & competition law.

Each year the board considers and approves our modern slavery statement demonstrating our commitment to seeking to ensure there is no slavery or forced labour or human trafficking within any part of our business or supply chains.

From a Health and Safety (H&S) perspective we continue to invest in a dedicated team and systems which adhere to the requirements of ISO 45001 alongside a culture of complete transparency at all levels. Incident reporting is monitored closely and appropriate action taken. Overall, our incident and injury frequency rates per 100,000 hours are reducing at a sustainable pace, and colleagues are showing an improved level of involvement and ownership in relation to maintaining a low incident rate, and a higher than historical reporting rate. The H&S committee is key to this, as is the works being undertaken by the re-invigorated group of Employee Safety representatives

The group maintain a risk register which is the basis of our business continuity plan and is regularly reviewed. There is an audit and risk committee which convenes quarterly and reviews the outcome of any British Standards Institution (BSI) or internal audits and discusses strategy in the context of a 'risk pipeline'.

The group are regularly audited by BSI in line with the following ISO accreditations which we hold:

ISO27001 Information Security Management

ISO 45001 Health & Safety Management system

On behalf of the board

L C Moore

Director

24 February 2023

Product Care Trading Limited
(Formerly G2S Limited)
Directors' report
For the year ended 30 June 2022

The directors present their annual report and financial statements for the year ended 30 June 2022.

Principal activities

Formed in 2009, the company has developed a reputation of being a leading supplier of products and services in the Home Appliance Sector. We constantly challenge the business to evolve with new market dynamics, ensuring we have a current product and service offering which is industry leading and of significant importance to our retail and supply partners.

Results and dividends

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

Ordinary dividends were paid amounting to £5,800,000. The directors do not recommend payment of a further dividend.

Directors

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

J P Cohring
J Donaghy
S P Fisher
G Hamer
L C Moore

Auditor

Saffery Champness LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report

The company's ultimate parent undertaking is Product Care Group Limited whose group energy and carbon report includes this company's greenhouse gas emissions, energy consumption and energy efficiency activities. The exemption from separately disclosing this information available under paragraph 20A(2) of part 7A, Schedule 7 of SI 2008/410 - Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 has been taken.

Statement of disclosure to auditor

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

Change of company name

On 11 January 2022 the company changed its name from G2S Limited to Product Care Trading Limited.

**Product Care Trading Limited
(Formerly G2S Limited)
Directors' report (continued)
For the year ended 30 June 2022**

On behalf of the board

L C Moore
Director

24 February 2023

Product Care Trading Limited
(Formerly G2S Limited)
Directors' responsibilities statement
For the year ended 30 June 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Product Care Trading Limited
(Formerly G2S Limited)
Independent auditor's report
To the members of Product Care Trading Limited**

Opinion

We have audited the financial statements of Product Care Trading Limited (the 'company') for the year ended 30 June 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

**Product Care Trading Limited
(Formerly G2S Limited)
Independent auditor's report (continued)
To the members of Product Care Trading Limited**

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

**Product Care Trading Limited
(Formerly G2S Limited)
Independent auditor's report (continued)
To the members of Product Care Trading Limited**

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Diane Petit-Laurent FCA
Senior Statutory Auditor
For and on behalf of Saffery Champness LLP**

24 February 2023

**Chartered Accountants
Statutory Auditors**

Trinity
16 John Dalton Street
Manchester
M2 6HY

Product Care Trading Limited
(Formerly G2S Limited)
Statement of comprehensive income
For the year ended 30 June 2022

		2022	2021
	Notes	£	£
Turnover	3	71,231,263	73,183,400
Cost of sales		(59,271,850)	(59,253,727)
Gross profit		11,959,413	13,929,673
Distribution costs		-	(20,518)
Administrative expenses		(10,029,294)	(8,267,616)
Other operating income		1,238,603	1,244,823
Operating profit	4	3,168,722	6,886,362
Interest payable and similar expenses	8	(169,974)	(128,277)
Other gains and losses	9	1,351,123	(2,020,987)
Profit before taxation		4,349,871	4,737,098
Tax on profit	10	(750,819)	(851,222)
Profit for the financial year		3,599,052	3,885,876

The income statement has been prepared on the basis that all operations are continuing operations.

Product Care Trading Limited
(Formerly G2S Limited)
Statement of financial position
As at 30 June 2022

			2022	2021
	Notes	£	£	£
Fixed assets				
Tangible assets	13		172,081	250,006
Investments	14		11,000	11,000
			<u>183,081</u>	<u>261,006</u>
Current assets				
Stocks	17	16,565,467	14,296,630	
Debtors	18	17,455,339	15,910,620	
Cash at bank and in hand		1,592,027	3,307,891	
		<u>35,612,833</u>	<u>33,515,141</u>	
Creditors: amounts falling due within one year	19	(26,349,949)	(22,104,346)	
Net current assets			<u>9,262,884</u>	<u>11,410,795</u>
Total assets less current liabilities			<u>9,445,965</u>	<u>11,671,801</u>
Provisions for liabilities				
Deferred tax liability	21	31,118	56,006	
		<u>(31,118)</u>	<u>(56,006)</u>	
Net assets			<u>9,414,847</u>	<u>11,615,795</u>
Capital and reserves				
Called up share capital	23		100	100
Profit and loss reserves			9,414,747	11,615,695
Total equity			<u>9,414,847</u>	<u>11,615,795</u>

The financial statements were approved by the board of directors and authorised for issue on 24 February 2023 and are signed on its behalf by:

L C Moore
Director

Company Registration No. 06938838 (England and Wales)

Product Care Trading Limited
(Formerly G2S Limited)
Statement of changes in equity
For the year ended 30 June 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 July 2020		100	8,129,819	8,129,919
Year ended 30 June 2021:				
Profit and total comprehensive income for the year		-	3,885,876	3,885,876
Dividends	11	-	(400,000)	(400,000)
Balance at 30 June 2021		100	11,615,695	11,615,795
Year ended 30 June 2022:				
Profit and total comprehensive income for the year		-	3,599,052	3,599,052
Dividends	11	-	(5,800,000)	(5,800,000)
Balance at 30 June 2022		100	9,414,747	9,414,847

1 Accounting policies

Company information

Product Care Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is Green Bank Business Park, Swan Lane, Hindley Green, Wigan, WN2 4AY.

1.1 Accounting convention

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

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Product Care Group Limited.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies (continued)

1.3 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	20% per annum
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1.5 Tangible fixed assets

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

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

Fixtures, fittings and equipment	10% - 33% per annum
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies (continued)

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.8 Stocks

Stocks are stated at the lower of landed cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

1 Accounting policies (continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

1 Accounting policies (continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1 Accounting policies (continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Warranty provision

As noted in note 18, the directors make a provision for the estimated cost of warranty and servicing on the sale of electronic good. These provisions require management's best estimate of the costs that will be incurred based on the probability weighting of all possible outcomes. Including an assessment of historical rates of return and products sold in the year. In recent years the provision has show to give more than a 5% margin of error. The provision held at the year end was £2,690,799 (2021: £2,844,838).

Stock provision

The company considers whether stocks are impaired. The directors review stock on a line by line basis and stocks identified as having no or nominal consideration are measured at the lower of cost and net realisable value, adjusted where applicable for any loss of services potential. The provision for impairment of stock recognised is £931,557 (2021: £282,659) which is due to slow moving and obsolete stock.

Accruals

The directors estimate the rebates due to be paid to retailers selling products on behalf of the group. As the retailers year end does not always align with that of the group, the rebate due to the retailer is accrued for on the assumption they will hit their sales target at the end of their year. If they achieve their target then the accrual has accounted for the rebate amount, if they do not achieve it then the amount is reversed which in turn increases profit. The amount accrued for in relation to rebates due to retailers is £1,437,101 (2021: £1,072,955)

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Free on board	14,191,910	18,304,097
Landed sales	57,039,353	54,879,303
	<u>71,231,263</u>	<u>73,183,400</u>

Product Care Trading Limited
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Notes to the financial statements (continued)
For the year ended 30 June 2022

3 Turnover and other revenue (continued)

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	70,780,459	72,719,788
Europe	129,670	256,309
Rest of world	321,134	207,303
	<u>71,231,263</u>	<u>73,183,400</u>
	2022	2021
	£	£
Other revenue		
Grants received	107	18,617
	<u>107</u>	<u>18,617</u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	572,969	(1,338,204)
Government grants	(107)	(18,617)
Depreciation of owned tangible fixed assets	73,917	103,180
Loss on disposal of tangible fixed assets	8,532	-
Amortisation of intangible assets	-	55,747
Operating lease charges	1,240,909	1,173,543
	<u>1,240,909</u>	<u>1,173,543</u>

5 Auditor's remuneration

Auditor's remuneration during the current year was borne by another company within the group. Details of auditor's remuneration, including non-audit fees, are disclosed in the accounts of Product Care Group Limited.

Product Care Trading Limited
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Notes to the financial statements (continued)
For the year ended 30 June 2022

6 Employees

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

	2022	2021
	Number	Number
Warehouse staff	41	31
Administrative staff	34	35
Directors	1	1
	<hr/>	<hr/>
Total	76	67
	<hr/> <hr/>	<hr/> <hr/>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,414,699	2,182,125
Social security costs	224,050	204,538
Pension costs	152,931	109,353
	<hr/>	<hr/>
	2,791,680	2,496,016
	<hr/> <hr/>	<hr/> <hr/>

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	72,227	74,175
Company pension contributions to defined contribution schemes	38,513	38,516
	<hr/>	<hr/>
	110,740	112,691
	<hr/> <hr/>	<hr/> <hr/>

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	171,474	115,944
Other interest on financial liabilities	(1,500)	2,340
Interest on finance leases and hire purchase contracts	-	9,993
	<hr/>	<hr/>
	169,974	128,277
	<hr/> <hr/>	<hr/> <hr/>

Product Care Trading Limited
(Formerly G2S Limited)
Notes to the financial statements (continued)
For the year ended 30 June 2022

9 Other gains and losses

	2022	2021
	£	£
Fair value gains/(losses) on financial instruments		
Gain/(loss) on financial liabilities held at fair value through profit or loss	1,351,123	(2,020,987)
	<u> </u>	<u> </u>

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	843,347	940,888
Adjustments in respect of prior periods	(67,640)	(63,090)
	<u> </u>	<u> </u>
Total current tax	775,707	877,798
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(24,888)	(52,655)
Changes in tax rates	-	26,079
	<u> </u>	<u> </u>
Total deferred tax	(24,888)	(26,576)
	<u> </u>	<u> </u>
 Total tax charge	 750,819	 851,222
	<u> </u>	<u> </u>

Product Care Trading Limited
(Formerly G2S Limited)
Notes to the financial statements (continued)
For the year ended 30 June 2022

10 Taxation (continued)

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

	2022	2021
	£	£
Profit before taxation	4,349,871	4,737,098
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	826,475	900,049
Tax effect of expenses that are not deductible in determining taxable profit	41	61
Adjustments in respect of prior years	(67,640)	(63,090)
Group relief	(157)	-
Permanent capital allowances in excess of depreciation	(293)	761
Deferred tax adjustments in respect of prior years	(7,607)	13,441
	<u> </u>	<u> </u>
Taxation charge for the year	750,819	851,222
	<u> </u>	<u> </u>

Factors that may affect future tax charges

The Chancellor confirmed in the Autumn Statement on 17 November 2022 that the rate of corporation tax will increase from 19% to 25% from 1 April 2023, as originally planned in the 2021 Budget. From the same date a small companies' rate of 19% will be introduced for companies' with profits of £50,000 or less. The main rate applies to companies with profits over £250,000 and marginal relief will apply to for profits in between the thresholds.

11 Dividends

	2022	2021
	£	£
Final paid	5,800,000	400,000
	<u> </u>	<u> </u>

Product Care Trading Limited
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Notes to the financial statements (continued)
For the year ended 30 June 2022

12 Intangible fixed assets

	Software £
Cost	
At 1 July 2021 and 30 June 2022	307,896
Amortisation and impairment	
At 1 July 2021 and 30 June 2022	307,896
Carrying amount	
At 30 June 2022	-
At 30 June 2021	-

13 Tangible fixed assets

	Fixtures, fittings and equipment £
At 1 July 2021	658,462
Additions	20,773
Disposals	(110,104)
At 30 June 2022	569,131
At 1 July 2021	408,456
Depreciation charged in the year	73,917
Eliminated in respect of disposals	(85,323)
At 30 June 2022	397,050
Carrying amount	
At 30 June 2022	172,081
At 30 June 2021	250,006

14 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	15	11,000	11,000

Product Care Trading Limited
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Notes to the financial statements (continued)
For the year ended 30 June 2022

15 Subsidiaries

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
G2S Foshan	(i)	Import and export	Ordinary	100.00	-

Registered office addresses (all UK unless otherwise indicated):

(i) Foshan City, Guangdong, China

16 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	363,768	-
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	-	987,355
	<u> </u>	<u> </u>

17 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	16,565,467	14,296,630
	<u> </u>	<u> </u>

18 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	11,174,212	9,626,674
Amounts owed by group undertakings	4,365,093	5,359,813
Derivative financial instruments	363,768	-
Other debtors	480,718	271,027
Prepayments and accrued income	1,071,548	653,106
	<u> </u>	<u> </u>
	<u>17,455,339</u>	<u>15,910,620</u>

Product Care Trading Limited
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For the year ended 30 June 2022

19 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	20	5,174,108	3,879,371
Invoice discounting facility	20	3,103,037	-
Trade creditors		9,779,307	9,752,179
Amounts owed to group undertakings		217,729	559,539
Corporation tax		478,755	277,952
Other taxation and social security		1,713,351	1,356,535
Derivative financial instruments		-	987,355
Other creditors		3,284,211	3,290,731
Accruals and deferred income		2,599,451	2,000,684
		<u>26,349,949</u>	<u>22,104,346</u>

20 Loans and overdrafts

	2022 £	2021 £
Bank loans	5,174,108	3,879,371
Invoice discounting facility	3,103,037	-
	<u>8,277,145</u>	<u>3,879,371</u>
Payable within one year	<u>8,277,145</u>	<u>3,879,371</u>

The bank loans are secured by fixed and floating charges over all the assets and undertakings of Product Care Trading Limited including all present and future leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

The maximum import loan term is 120 days, and the interest rates on these loans are 2.175% for US dollars and 2.15% for sterling above their respective currency base rates.

Product Care Trading Limited
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Notes to the financial statements (continued)
For the year ended 30 June 2022

21 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	31,118	56,006
	<u> </u>	<u> </u>
Movements in the year:		2022 £
Liability at 1 July 2021		56,006
Credit to profit or loss		(17,203)
Effect of change in tax rate - profit or loss		(7,685)
		<u> </u>
Liability at 30 June 2022		31,118
		<u> </u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	152,931	109,353
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Included in other creditors at the year end is £17,309 (2021: £12,200) in relation to pension scheme liabilities.

23 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

24 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	1,328,540	1,275,102
Between two and five years	2,290,586	3,172,495
In over five years	158,181	370,104
	<u>3,777,307</u>	<u>4,817,701</u>

25 Ultimate controlling party

The directors consider the intermediate parent company to be Product Care Group Limited, a company registered in England and Wales. Product Care Group Limited prepares group accounts which include this company. Copies of the accounts can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.

The directors consider the ultimate parent company to be Hamer Capital Ventures Limited, a company registered in England and Wales. Hamer Capital Ventures Limited prepares group accounts which include this company. Copies of the accounts can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.

Hamer Capital Ventures Limited is a company owned and controlled by the Hamer family.

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.