

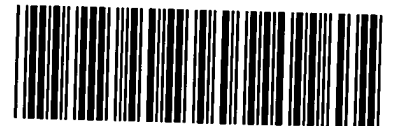
Company Registration No. 07735719 (England and Wales)

HIGHER KINGS MILL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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HIGHER KINGS MILL LIMITED

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HIGHER KINGS MILL LIMITED

COMPANY INFORMATION

Directors	R. C. Martin (resigned on 20.08.2021) P. N. Goh S. H. Lim H. Rohe M. C. Lim
Secretary	M. C. Lim
Company number	07735719
Registered office	Higher Kings Mill Cullompton Devon United Kingdom EX15 1QJ
Auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

HIGHER KINGS MILL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report and financial statements for the year ended 31 March 2023.

Principal activity, review of business and future developments

The principal activity of the company during the year was the manufacture of coloured paper and boards for the filing, educational and other specialty markets. The company reported profit before tax for the year of £1,617,748 (2022: Profit £242,337). Turnover increased by 14% over the course of the financial year mainly due to the recovery of UK economy and passing on some of the increase in energy cost to the customers. Sales within UK accounted for 63% of the company's turnover. Sales increased within the UK by 5% and increased by 32% to our export customers.

The company has total assets less current liabilities totaling £9,494,585 and net assets totaling £9,239,605. The overall cash position of the company during the period under review has remained strong. The company has net cash of £2,922,497 at the year end.

We will strive to improve operation efficiency and keeping operating cost low in order to ensure sustainability of the mill in the long term. Proactive action will be taken to improve product quality in order to remain competitive in the industry.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks such as the spike in energy cost, global supply chain issue and recovery of UK economy. These risks are reviewed by the Board and where appropriate, monitored and mitigated by suitable processes.

The Company's exposure to credit risk arises principally from its receivables from customers. The Company has put in place a tight credit policy and exposure to credit risk is monitored on an ongoing basis.

Another risk is Higher Kings Mill Limited hold stock for customers held against forecasts, but there will be occasions where customers do not call off stock as planned. The Company is in regular contact with all our customers in order to mitigate any exposure in this area.

Research and development

The company invests in research and development to ensure that the machinery and testing processes are continually updated. A strong commitment to the environment is ingrained throughout the business, which is accredited with ISO14001 (Environmental)

Key performance indicators (KPIs)

The Directors of Asia File Corporation Bhd. manage the Group's operations at a group level. However, key financial and other performance indicators during the year for Higher Kings Mill Limited were:

		2023	2022
Turnover	GBP	13,966,611	12,292,667
Gross Profit Margin	%	17.9%	7.20%

The board also monitors other non-financial indicators, which include employee turnover, equality, diversity, and the Health & Safety environment.

HIGHER KINGS MILL

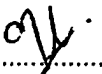
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Employment of disabled people

It is the company policy to give equality of opportunities when considering applications from disabled people where the job requirements are considered to be within their ability. When existing employees become disabled they are retrained wherever reasonable and practicable. The company tries to provide equal opportunities whenever possible.

On behalf of the board:



.....
M. C. Lim
Director
.....

HIGHER KINGS MILL

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report together with the audited financial statements for the year ended 31 March 2023.

Results and dividends

The profit for the year, after taxation, amounted to £1,297,646. No ordinary dividends were paid during the year. Ordinary dividends amounting to £1,286,400 were paid in year ended 31 March 2022. The directors do not recommend payment of a final dividend.

Directors

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

R. C. Martin (resigned on 20.08.2021)
P. N. Goh
S. H. Lim
H. Rohe
M. C. Lim

Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 17 of the accounts.

Political donations

No political donations and expenditure were made by the company.

Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company is able to meet all its liabilities as they fall due. Having completed this, the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements.

In addition, the company is supported by its parent company, Asia File Corporation Bhd, through flexible repayment terms of the inter-company creditor balance. The parent company has confirmed that it will continue to provide this financial support for the foreseeable future, being a period of at least one year from the date of approval of the financial statements. Based on their discussions with the parent company, the directors firmly believe that adequate funds are available as required to enable the company to meet its liabilities.

HIGHER KINGS MILL

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of Directors' Responsibilities

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

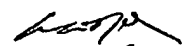
Information in the strategic report

Disclosure about future developments in the business of the company has been included in the strategic report.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 06/06/2023 and signed on its behalf:



.....
P. N. Goh
Director
.....

HIGHER KINGS MILL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIGHER KINGS MILL LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 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.

We have audited the financial statements of Higher Kings Mill Limited ("the Company") for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information 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.

HIGHER KINGS MILL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HIGHER KINGS MILL LIMITED

Other Companies Act 2006 reporting

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.

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- discussions with management regarding known or suspected instance of non-compliance with laws and regulations;
- evaluation of controls designed to prevent and detect irregularities; and
- assessing journal entries as part of our planned audit approach.

HIGHER KINGS MILL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HIGHER KINGS MILL LIMITED

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

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.

DocuSigned by:

James Newman

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James Newman (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Southampton, United Kingdom

06 Jun 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

HIGHER KINGS MILL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

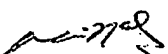
	Notes	2023 £	2022 £
Turnover	4	13,966,611	12,292,667
Cost of sales		(11,467,601)	(11,407,931)
Gross profit		2,499,010	884,736
Distribution costs		(352,577)	(421,403)
Administrative expenses		(549,993)	(565,528)
Other operating income	5	2,763	334,425
Operating profit/(loss)	6	1,599,203	232,230
Interest receivable and similar income	9	18,545	10,107
Profit before taxation		1,617,748	242,337
Tax on profit	10	(320,102)	(96,825)
Profit and total comprehensive income for the financial year	20	1,297,646	145,512

The notes on pages 12 to 29 form part of these financial statements.

HIGHER KINGS MILL LIMITED**BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
Fixed assets			
Tangible fixed assets	12	2,013,204	2,043,703
Current assets			
Stocks	13	4,059,936	3,589,892
Debtors and other receivables	14	1,814,618	1,765,541
Cash at bank and in hand		2,922,497	2,196,974
		8,797,051	7,552,407
Creditors: amounts falling due within one year			
Creditors and other payables	15	1,315,670	1,474,980
Net current assets		7,481,381	6,077,427
Total assets less current liabilities		9,494,585	8,121,130
Provisions for liabilities			
Deferred tax liabilities	16	254,980	179,171
Net assets		9,239,605	7,941,959
Capital and reserves			
Called up share capital	19	5,000,000	5,000,000
Profit and loss reserves	20	4,239,605	2,941,959
Total equity		9,239,605	7,941,959

The financial statements were approved by the board of directors and authorised for issue on 6/4/23, and were signed on its behalf by:


.....
P. N. Goh
Director

Company Registration No. 07735719

The notes on pages 12 to 29 form part of these financial statements.

HIGHER KINGS MILL LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 April 2022		5,000,000	2,941,959	7,941,959
Profit and total comprehensive profit for the year		-	1,297,646	1,297,646
Dividends	11	-	-	-
Balance at 31 March 2023		<u>5,000,000</u>	<u>4,239,605</u>	<u>9,239,605</u>

HIGHER KINGS MILL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 April 2021		5,000,000	4,082,847	9,082,847
Profit and total comprehensive profit for the year		-	145,512	145,512
Dividends	11	-	(1,286,400)	(1,286,400)
Balance at 31 March 2022		<u>5,000,000</u>	<u>2,941,959</u>	<u>7,941,959</u>

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 General Information

Higher Kings Mill Limited is a company incorporated in England and Wales and domiciled in England. The nature of the company's operations and its principal activities are set out on page 1. The registered office address of the company is Higher Kings Mill, Cullompton, Devon, EX15 1QJ.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in sterling and all values are rounded to the nearest pound (£).

Disclosure exemptions adopted

In preparing these financial statements, the company has taken advantage of certain disclosure exemptions conferred by FRS 101 as follows:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total; and
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

Where required, equivalent disclosures are given in the group accounts of Asia File Corporation Bhd. The group accounts of Asia File Corporation Bhd are available to the public and can be obtained as set out in note 23.

2.2 Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company is able to meet all its liabilities as they fall due. Having completed this, the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.2 Going concern (continued)

In addition, the company is supported by its parent company, Asia File Corporation Bhd, through flexible repayment terms of the inter-company creditor balance. The parent company has confirmed that it will continue to provide this financial support for the foreseeable future, being a period of at least one year from the date of approval of the financial statements. Based on their discussions with the parent company, the directors firmly believe that adequate funds are available as required to enable the company to meet its liabilities.

2.3 New standards, interpretations and amendments

There have been no material amendments to existing standard which have been adopted by the company during the year ended 31 March 2023.

2.4 Revenue

Performance obligations and timing of revenue recognition

The majority of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

A small minority of contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognised even though the Company still has physical possession only if:

- the arrangement is substantive (i.e. requested by the customer);
- the finished goods have been identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- the company does not have the ability to use the product to direct it to another customer.

Determining the transaction price

Most of the company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts. Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.4 Revenue (continued)

Practical exemptions

The company has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less.

2.5 Government grants

A government grant is recognised only when there is reasonable assurance that;

- (a) the entity will comply with any conditions attached to the grant and
- (b) the grant will be received.

Grants relating to income should be reported separately as 'other income'.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure within other operating income. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

During the year income received from the Coronavirus Job Retention Scheme has been accounted for in accordance with the above.

2.6 Other Income

Insurance proceeds to settle a provision are accounted for as reimbursements and are recognised as a separate asset (with related income) when recovery is virtually certain. The amount recognised as a reimbursement right is limited to the amount of the related provision.

The company recognises other compensation for business interruption when the company has an unconditional contractual right to receive complementation. This is the case where;

- (a) it has an insurance contract under which it can make a claim for compensation; and
- (b) the loss event that creates a right for the company to assert a claim at the reporting date has occurred and the claim is not disputed by the insurer.

2.7 Tangible fixed assets

Tangible fixed assets are initially recognised at cost and subsequently measured at cost, net of depreciation and any impairment losses. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Engineering stocks with values of at least £2,000 per unit are reclassified to fixed assets due to their nature of being utilised for a period exceeding 12 months. These engineering stocks are spare parts to be replaced for the machinery to continue operating smoothly. Spare parts will not be depreciated until installation on plant and machinery. When installed on the machinery, they are reclassified to the plant and machinery fixed asset category and depreciate at 10% straight line.

Assets under construction are assets which are capitalised under fixed assets, but they are work in progress and are not completed and not ready for use yet. Once completed, they will be reclassified and transferred to the appropriate fixed asset category and commence depreciation. Assets under construction are not to be depreciated.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.7 Tangible fixed assets (continued)

Property, plant and equipment are initially recorded at cost of purchase or construction and are depreciated on a straight-line basis. Freehold land is not depreciated. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	3% - 10% straight line
Plant and machinery	5% - 33% straight line
Motor vehicles	25% straight line

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 recognised in the Statement of Comprehensive Income.

2.8 Impairment of tangible fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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.

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.

2.9 Stocks

Stock is measured at the lower of cost and net realisable value.

Raw materials and consumables are measured at cost on a FIFO basis. Cost includes expenditure in acquiring the stock, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.9 Stocks (continued)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision is made for obsolete, slow moving or defective items where appropriate.

Engineering stocks with unit costs of at least £2,000 are reclassified to spare parts under fixed assets due to their nature of being utilised for more than a period of 12 months.

A provision is made for obsolete, slow moving or defective items where appropriate. At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

2.11 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

Fair value through profit or loss

The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets arise principally from the provision of goods and services to customers (eg trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.11 Financial assets (continued)

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the company elects to renegotiate the terms of trade debtors due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Impairment of financial assets

Financial assets, other than those at fair value through the 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2.12 Financial liabilities

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:

- Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.12 Financial liabilities (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

2.13 Equity instruments

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments. Preference shares are non-redeemable and hold no voting rights. The company has the right to accumulate or defer any dividend right attaching to the preference shares at its discretion.

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders.

2.14 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM.

2.15 Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is also the company's functional currency.

Transactions entered into by the company in a currency other than the functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred balances are recognised on temporary differences where the carrying amount of an asset or liability differs from its tax base, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries and the company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.17 Employee benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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

3 Significant accounting estimates and judgements

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, 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.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Significant accounting estimates and judgements

(Continued)

Valuation of Stocks – Finished Goods

The company values its finished goods at a standard cost per tonne of paper, calculated by applying the total production and related costs consumed in a period to the total weight of paper produced in a period. The period used in this calculation is considered to be an appropriate indicator of normal activity by the directors. The valuation based on normal activity is regularly reviewed by the directors and the value of finished goods is updated accordingly. Slow moving stock is provided for based on the age of the stockholding. The directors review the age of stockholdings and make a provision on the basis of 50% against the value of stock held for greater than 6 months, and for stock held greater than 12 months the carrying value is reduced to 50% of waste and pulp value.

Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment by each class is included in note 12 and details of the useful lives are included within the accounting policy.

4 Turnover

An analysis of the company's turnover by geographical market is as follows:

	2023	2022
	£	£
United Kingdom	8,811,925	8,397,019
Europe	4,917,838	3,480,426
Rest of the World	236,848	415,222
	<u>13,966,611</u>	<u>12,292,667</u>

There are no contract assets or contract liabilities included within "debtors" and "creditors" respectively on the face of the balance sheet as at 31st March 2023 (2022: £Nil). Similarly, there are no incremental costs to obtain a contract which have been recognized as an expense during the period (2022: £Nil).

5 Other operating income

	2023	2022
	£	£
Government grants	-	83,820
Other income	2,763	250,605
	<u>2,763</u>	<u>334,425</u>

Other income decrease mainly from the no insurance claims received for business interruption (2022:£250,000) and no government grants received during the year (2022:£83,820). Since this is not considered to be part of the main revenue generating activities, the company presents this income separately from revenue.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Operating profit	2023	2022
	£	£
Profit for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment	260,006	289,565
Impairment of trade debtors	1,960	(12,582)
Inventory recognised as expense	4,613,759	4,449,893
Foreign exchange losses	56,401	17,336
Fees payable to the company's auditors for the audit of the company's financial statements	27,500	24,500

7 Directors' remuneration	2023	2022
	£	£
Director remunerations paid directly to director	-	16,546
Payments to third parties for director's services	-	-
Value of non-cash benefits received for directors	-	6,620
	-	23,166

There was 0 director in the company's defined contribution plan (2022 – 1).

There were 0 directors who are accruing benefits under a defined benefit pension (2022 – 0)

8 Employees

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

	2023 Number	2022 Number
Production staff	71	74
Administrative staff	12	12
	83	86

Their aggregate remuneration (including directors) comprised:

	2023 £	2022 £
Wages and salaries	2,326,699	2,316,972
Social security costs	225,728	206,264
Pension costs	87,647	89,552
	2,640,074	2,612,788

HIGHER KINGS MILL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****8 Employees****(Continued)**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The 'Pension costs' above represents contributions payable by the company to the fund during the period. Contributions amounting to £16,044 (2022 - £15,879) were payable to the fund at the balance sheet date and are included within other creditors.

Included in the statement of comprehensive income is £NIL (2022:£83,820) of government grants obtained relating to supporting the payroll of the company's employees. The company has elected to present this government grant separately, rather than reducing the related expense. The company had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The company does not have any unfulfilled obligations relating to this program.

9 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	18,545	10,107

Total interest income for financial assets that are not held at fair value through profit or loss is £18,545 (2022 - £10,107).

10 Income tax expense

	2023 £	2022 £
UK corporation tax		
Current tax on profits for the current period	265,000	23,000
Adjustments in respect of prior periods	(20,707)	-
	<u>244,293</u>	<u>23,000</u>
Deferred tax		
Origination and reversal of temporary differences	<u>75,809</u>	<u>73,825</u>
Total tax charge	<u>320,102</u>	<u>96,825</u>

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Income tax expense

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2023	2022
	£	£
Profit before taxation	1,617,747	242,337
Expected tax charge based on a corporation tax rate of 19.00%	307,372	46,044
Expenses not deductible in determining taxable profit	14,346	16,167
Permanent capital allowances in excess of depreciation	(56,718)	(39,211)
(Over) / Under provided in prior years	(20,707)	-
Deferred tax movement	75,809	73,825
Effect of estimated tax provision	-	-
Tax charge for the year	320,102	96,825

Changes to corporation tax rate

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

For further information on deferred tax balances see note 16.

11 Dividends

	2023 per share	2022 per share	2023 £	2022 £
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Interim dividend paid	-	1.072	-	1,286,400

The directors do not propose a final dividend.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Freehold property	Plant and machinery	Motor vehicles	Spare parts	Asset under construction	Total
	£	£	£	£	£	£
Cost						
At 31 March 2022	1,739,399	2,469,745	214,231	478,049	-	4,901,424
Additions	-	-	-	27,595	202,913	230,508
Disposal	(2,875)	(1,695)	-	-	-	(4,570)
Reclassification	-	196,646	-	(22,505)	(174,141)	-
At 31 March 2023	1,736,524	2,664,696	214,231	483,139	28,772	5,127,362
Accumulated depreciation and impairment						
At 31 March 2022	776,035	1,895,435	186,250	-	-	2,857,720
Disposal	(1,873)	(1,695)	-	-	-	(3,568)
Charge for the year	71,416	178,714	9,876	-	-	260,006
At 31 March 2023	845,578	2,072,454	196,126	-	-	3,114,158
Carrying amount						
At 31 March 2023	890,946	592,242	18,105	483,139	28,772	2,013,204
At 31 March 2022	963,364	574,310	27,981	478,049	-	2,043,703

13 Stocks

	2023	2022
	£	£
Raw materials and consumables	1,314,015	1,206,208
Finished goods	2,745,921	2,383,684
	4,059,936	3,589,892

During the year, the value of stock recognised as an expense was £4,613,759 (2022 - £4,449,893).

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors

	2023	2022
	£	£
Trade debtors	1,357,086	1,388,696
Other receivables	4,499	656
VAT recoverable	-	58,981
Amounts due from Group undertakings	392,464	257,001
Corporation tax recoverable	-	4,000
Prepayments	60,569	56,207
	<u>1,814,618</u>	<u>1,765,541</u>

Trade receivables of £NIL (2022: £535) fall due after more than one year.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The receivables are stated after provisions for impairment of £4,530 (2022: £3,094).

15 Creditors: Amounts due within one year

	2023	2022
	£	£
Trade creditors	466,720	652,526
Corporate tax payable	66,870	-
Accruals	408,214	656,669
Other taxation and social security	129,715	48,242
Other creditors	244,151	117,543
	<u>1,315,670</u>	<u>1,474,980</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16 Deferred taxation

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2022: 25%). As discussed in note 10, the enacted reduction on the main rate of corporation tax will be changing to 25% from 1 April 2023. Therefore, the rate of 25% has been applied to all deferred tax balances at the balance sheet date.

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered based upon business forecasts. Details of the deferred tax liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as below.

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

HIGHER KINGS MILL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****16 Deferred taxation (Continued)**

	ACAs £
Deferred tax liability at 1 April 2021	105,346
Deferred tax movements in prior year	
Credit to profit or loss	73,825
Deferred tax liability at 1 April 2022	179,171
Deferred tax movements in current year	
Debit to profit or loss	75,809
Deferred tax liability at 31 March 2023	254,980

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2023 £	2022 £
Deferred tax liabilities	<u>254,980</u>	<u>179,171</u>

17 Financial risk management objectives and policies

The company holds or issues financial instruments, comprising cash and items such as trade debtors and trade creditors that arise directly from its operations, in order to achieve three main objectives, being:

- a. to finance its operations;
- b. to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- c. for trading purposes.

The vast majority of the company's business is conducted in Pound Sterling. Where transactions are conducted in alternative currencies, the risk attached to this will be assessed by the directors on an individual basis, and appropriate action taken.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Financial risk management objectives and policies

(Continued)

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk. The Company's credit risk is primarily attributable to its UK trade debtors.

Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Currency risk

The company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than pound sterling (£).

The company minimises the foreign exchange exposure where possible by matching foreign currency income with foreign currency costs. The company does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency, given the nature of the business for the time being.

Liquidity risk

The Directors seek to manage this risk by monitoring cash flow as part of its day-to-day control procedures. The Board considers cash flow projections on a monthly basis.

Interest rate risk

The company finances its operations through retained profits. The interest rate exposure of the financial assets and liabilities of the company as at 31 March 2023 is shown in the balance sheet. The balance sheet includes trade debtors and creditors, which do not attract interest and are therefore not subject to fair value interest rate risk.

Fair values of financial assets and liabilities

An assessment of the fair value of the company's financial instruments held for financing purposes has been undertaken as at 31st March 2023. No material differences exist between book and fair value.

18 Retirement benefit schemes

Defined contribution schemes

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.

The total costs charged to the statement of comprehensive income in respect of defined contribution plans is £87,647 (2022 - £89,552).

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Share capital

	2023	2022
	£	£
Ordinary share capital		
<i>Issued and fully paid</i>		
1,200,000 ordinary shares of £1 each	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,200,000</u>	<u>1,200,000</u>
Preference share capital		
<i>Issued and fully paid</i>		
3,800,000 non redeemable preference shares of £1 each	<u>3,800,000</u>	<u>3,800,000</u>
	<u>3,800,000</u>	<u>3,800,000</u>

Ordinary shares are entitled to receive a dividend, vote at general meetings and are entitled to capital on the winding up or sale of the company. Non Redeemable Preference shares are entitled to a dividend at a rate of 1.75 per cent, the company has the right to accumulate or defer any dividend right at its discretion.

20 Profit and loss reserves

	2023	2022
	£	£
At the beginning of the year	2,941,959	4,082,847
Profit for the year	1,297,646	145,512
Dividends	-	(1,286,400)
At the end of the year	<u>4,239,605</u>	<u>2,941,959</u>

21 Related party transactions

Group transactions

Transactions between wholly owned subsidiaries or with their parent company are exempt from disclosure under exemptions available under FRS 101.

The company undertook transactions with Premier Stationery Limited, a fellow group company. During the year, the company made purchases and recharges from Premier Stationery Limited totaling £31,501 (2021 - £4,199) and sales to Premier Stationery Limited totaling £nil (2022 - NIL). At the year end, Higher Kings Mill Limited owed Premier Stationery Limited £nil (2022 - NIL).

Sales of goods to related parties were made at the company's usual list prices. Purchases were made at market prices discounted to reflect the quantity of goods purchased and the relationship between the parties.

The company has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2023 or 2022 regarding related party transactions.

HIGHER KINGS MILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Directors' transactions

The amount of remunerations paid to directors of the company are disclosed as below:

	2023	2022
	£	£
Director remunerations paid directly to director	-	16,546
Directors' remunerations paid through a third party company	-	-
Value of non-cash benefits received for directors	-	6,620
	<u>-</u>	<u>23,166</u>

23 Controlling party

The immediate and ultimate parent company is Asia File Corporation Bhd, a company incorporated in Malaysia.

The smallest and largest group of undertakings for which group accounts are drawn up and of which the company is included is the group headed by Asia File Corporation Bhd.

The consolidated accounts for the Group can be obtained from Plot 16, Kawasan Perindustrian Bayan Lepas, Phase IV, MK12, Bayan Lepas, 11900 Penang, Malaysia, and are available from <https://www.asia-file.com>