

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
FOR
2 APPLES LIMITED**

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

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2 APPLES LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 JULY 2023

DIRECTOR:	Mr AK Newton
SECRETARY:	Mrs ZA Wright
REGISTERED OFFICE:	Unit 16a Fir Tree Lane Groby Industrial Estate Groby Leicester LE6 0FH
REGISTERED NUMBER:	09428422 (England and Wales)
SENIOR STATUTORY AUDITOR:	Westleigh Scales FCA
AUDITORS:	Mark J Rees LLP Chartered Accountants and Statutory Auditors Granville Hall Granville Road Leicester LE1 7RU
BANKERS:	Royal Bank of Scotland 36 St. Andrew Square Edinburgh EH2 2YB

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

The director presents his strategic report for the year ended 31 July 2023.

2 Apples Limited is a holding company of a group specialising in boilers, plumbing, heating and related domestic services.

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements.

Performance of the business and Outlook

Turnover has increased by £1.9m (22.51%) on 2022, in line with budgeted figures, with gross profit margin staying constant. Turnover has increased with additional contracts and the increase of sales prices to mitigate increases in costs.

Our KPI's for the year show how much we have achieved this year:

KPI's £	2023	2022
Turnover	10,322	8,426
Gross Profit %	24.95	25.22
Operating Profit	504	458
Operating Profit %	4.88	5.44
Net Profit/(Loss)	327	290
Net Asset	4,504	4,276

PRINCIPAL RISKS AND UNCERTAINTIES

The company manages liquidity risk by ensuring that there are sufficient funds to meet amounts due to trade creditors and loan repayments. Trade debtors are managed in respect of credit and cash flow risk by regular monitoring of amounts outstanding in terms of time and credit limits.

Our experienced management team and financial position enable us to be well positioned to continue the successful growth and development of the company. The directors are responsible for the maintenance of the company's website <https://www.ukgasservices.co.uk>.

ON BEHALF OF THE BOARD:

Mr AK Newton - Director

16 February 2024

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 JULY 2023

The director presents his report with the financial statements of the company and the group for the year ended 31 July 2023.

DIVIDENDS

The total distribution of dividends for the year ended 31 July 2023 was £97,778 (2022 - £97,778).

DIRECTOR

Mr AK Newton held office during the whole of the period from 1 August 2022 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Mark J Rees LLP Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr AK Newton - Director

16 February 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF 2 APPLES LIMITED

Opinion

We have audited the financial statements of 2 Apples Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 July 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF 2 APPLES LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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.

We have determined that the principal risk areas where material irregularities could occur were related to the posting of manual journal entries to manipulate financial performance, revenue recognition, significant one-off or unusual transactions and going concern.

Our audit procedures were designed to respond in particular to these identified risks (including non compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of a sample of both private and contracted sales in the year to ensure these were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly stated.
- A review of a sample of sales accruals to ensure their accuracy and reasonableness.
- A review of the relevant certifications and accreditations to ensure that the company is certified as required for carrying out their work in line with industry standards.
- Addressing the risks of fraud through management override of controls by performing journal entry testing.
- A review of the going concern status of the company through discussions with management and an analysis of forecasts prepared up to 12 months following audit sign off.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF 2 APPLES LIMITED

Use of our report

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

Westleigh Scales FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
LE1 7RU

26 February 2024

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2023**

		2023		2022	
	Notes	£	£	£	£
TURNOVER	5		10,322,149		8,425,517
Cost of sales			<u>7,738,214</u>		<u>6,300,518</u>
GROSS PROFIT			2,583,935		2,124,999
Distribution costs		647,657		501,027	
Administrative expenses		<u>1,432,612</u>		<u>1,175,882</u>	
			2,080,269		1,676,909
			503,666		448,090
Other operating income	6		<u>-</u>		<u>9,468</u>
OPERATING PROFIT	8		503,666		457,558
Interest payable and similar expenses	9		<u>82,822</u>		<u>82,251</u>
PROFIT BEFORE TAXATION			420,844		375,307
Tax on profit	10		<u>94,207</u>		<u>85,582</u>
PROFIT FOR THE FINANCIAL YEAR			<u>326,637</u>		<u>289,725</u>
Profit attributable to:					
Owners of the parent			<u>326,637</u>		<u>289,725</u>

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		326,637	289,725
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>326,637</u>	<u>289,725</u>
Total comprehensive income attributable to: Owners of the parent		<u>326,637</u>	<u>289,725</u>

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)**CONSOLIDATED BALANCE SHEET
31 JULY 2023**

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		21,716		33,225
Investments	15		8,895,762		8,895,762
			<u>8,917,478</u>		<u>8,928,987</u>
CURRENT ASSETS					
Stocks	16	73,693		89,035	
Debtors	17	1,619,315		1,668,257	
Cash at bank and in hand		<u>193,849</u>		<u>11,254</u>	
		1,886,857		1,768,546	
CREDITORS					
Amounts falling due within one year	18	<u>2,066,463</u>		<u>2,211,881</u>	
NET CURRENT LIABILITIES			<u>(179,606)</u>		<u>(443,335)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,737,872		8,485,652
CREDITORS					
Amounts falling due after more than one year	19		(4,005,179)		(4,173,153)
PROVISIONS FOR LIABILITIES	23		<u>(228,321)</u>		<u>(36,986)</u>
NET ASSETS			<u>4,504,372</u>		<u>4,275,513</u>
CAPITAL AND RESERVES					
Called up share capital	24		100		100
Retained earnings	25		4,504,272		4,275,413
SHAREHOLDERS' FUNDS			<u>4,504,372</u>		<u>4,275,513</u>

The financial statements were approved by the director and authorised for issue on 16 February 2024 and were signed by:

Mr AK Newton - Director

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)**COMPANY BALANCE SHEET
31 JULY 2023**

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		-		-
Investments	15		<u>5,165,764</u>		<u>5,165,764</u>
			5,165,764		5,165,764
CURRENT ASSETS					
Debtors	17	2,307,308		2,106,718	
Cash at bank		<u>49</u>		<u>1,093</u>	
		2,307,357		2,107,811	
CREDITORS					
Amounts falling due within one year	18	<u>3,357,751</u>		<u>3,077,132</u>	
NET CURRENT LIABILITIES			(1,050,394)		(969,321)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,115,370		4,196,443
CREDITORS					
Amounts falling due after more than one year	19		<u>3,920,846</u>		<u>4,011,570</u>
NET ASSETS			<u>194,524</u>		<u>184,873</u>
CAPITAL AND RESERVES					
Called up share capital	24		100		100
Retained earnings			<u>194,424</u>		<u>184,773</u>
SHAREHOLDERS' FUNDS			<u>194,524</u>		<u>184,873</u>
Company's profit for the financial year			<u>107,429</u>		<u>103,265</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 16 February 2024 and were signed by:

Mr AK Newton - Director

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2021	100	4,083,466	4,083,566
Changes in equity			
Dividends	-	(97,778)	(97,778)
Total comprehensive income	-	289,725	289,725
Balance at 31 July 2022	100	4,275,413	4,275,513
Changes in equity			
Dividends	-	(97,778)	(97,778)
Total comprehensive income	-	326,637	326,637
Balance at 31 July 2023	100	4,504,272	4,504,372

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2021	100	179,286	179,386
Changes in equity			
Dividends	-	(97,778)	(97,778)
Total comprehensive income	-	103,265	103,265
Balance at 31 July 2022	100	184,773	184,873
Changes in equity			
Dividends	-	(97,778)	(97,778)
Total comprehensive income	-	107,429	107,429
Balance at 31 July 2023	100	194,424	194,524

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2023**

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	719,018	437,432
Interest paid		(23,546)	(22,975)
Finance costs paid		(59,276)	(59,276)
Tax paid		(82,177)	(37,674)
Net cash from operating activities		<u>554,019</u>	<u>317,507</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(2,646)</u>	<u>(28,181)</u>
Net cash from investing activities		<u>(2,646)</u>	<u>(28,181)</u>
Cash flows from financing activities			
Loan repayments in year		(271,000)	(154,750)
Government grants		-	9,468
Equity dividends paid		<u>(97,778)</u>	<u>(97,778)</u>
Net cash from financing activities		<u>(368,778)</u>	<u>(243,060)</u>
Increase in cash and cash equivalents		<u>182,595</u>	<u>46,266</u>
Cash and cash equivalents at beginning of year	2	11,254	(35,012)
Cash and cash equivalents at end of year	2	<u>193,849</u>	<u>11,254</u>

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2023

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit before taxation	420,844	375,307
Depreciation charges	14,155	8,823
Warranty provision	191,258	(28,187)
Government grants	-	(9,468)
Finance costs	82,822	82,251
	<u>709,079</u>	<u>428,726</u>
Decrease in stocks	15,342	2,966
Decrease/(increase) in trade and other debtors	48,942	(489,991)
(Decrease)/increase in trade and other creditors	(54,345)	495,731
Cash generated from operations	<u>719,018</u>	<u>437,432</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2023

	31.7.23	1.8.22
	£	£
Cash and cash equivalents	<u>193,849</u>	<u>11,254</u>

Year ended 31 July 2022

	31.7.22	1.8.21
	£	£
Cash and cash equivalents	11,254	4,637
Bank overdrafts	-	(39,649)
	<u>11,254</u>	<u>(35,012)</u>

The notes form part of these financial statements

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.22 £	Cash flow £	At 31.7.23 £
Net cash			
Cash at bank and in hand	<u>11,254</u>	<u>182,595</u>	<u>193,849</u>
	<u>11,254</u>	<u>182,595</u>	<u>193,849</u>
Debt			
Debts falling due within 1 year	(271,000)	43,750	(227,250)
Debts falling due after 1 year	<u>(3,728,583)</u>	<u>227,250</u>	<u>(3,501,333)</u>
	<u>(3,999,583)</u>	<u>271,000</u>	<u>(3,728,583)</u>
Total	<u>(3,988,329)</u>	<u>453,595</u>	<u>(3,534,734)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

1. COMPANY INFORMATION

The principal activity of 2 Apples Limited is that of a holding company for a boilers, plumbing, heating and related domestic services business.

The company is a private limited company (registered number 09428422), which is incorporated and domiciled in the UK. The address of the registered office is Unit 16a Fir Tree Lane, Groby Ind. Est., Groby, Leicester, LE6 0FH.

2. STATUTORY INFORMATION

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

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

3. STATEMENT OF COMPLIANCE

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

4. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 July 2023. These consolidated financial statements incorporate the financial statements of the company and its wholly-owned subsidiaries. All intergroup transactions, balances, income and expenses are eliminated.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Significant judgements and estimates

There were no areas in which the preparation of the financial statements required to make significant judgements or estimates.

Turnover

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

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Website and software is being amortised evenly over its estimated useful life of four years.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

4. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Plant and machinery - 25% on cost

Fixtures and fittings - 33% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Warranty provision

Provision is made for the estimated liability on all products still under warranty, including claims already received.

Where works undertaken are part of an order or contract that includes customer retentions then the provision is based on an estimate of the likely cost of any potential call backs during the warranty period. For all other works the provision is based on past experience of claims arising in the warranty period.

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

4. ACCOUNTING POLICIES - continued

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

5. TURNOVER

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

6. OTHER OPERATING INCOME

	2023	2022
	£	£
Government grants	<u>-</u>	<u>9,468</u>

7. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	2,087,338	1,628,309
Social security costs	169,972	138,103
Other pension costs	<u>102,214</u>	<u>83,648</u>
	<u>2,359,524</u>	<u>1,850,060</u>

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

	2023	2022
Director	1	1
Other	<u>74</u>	<u>61</u>
	<u>75</u>	<u>62</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 75 (2022 - 62).

	2023	2022
	£	£
Director's remuneration	<u>16,000</u>	<u>16,000</u>

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

8. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	14,155	8,823
Auditors remuneration	<u>9,400</u>	<u>9,400</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	26,022	13,197
HMRC interest	(6,592)	5,670
Other interest	4,116	4,108
Interest on loan notes	<u>59,276</u>	<u>59,276</u>
	<u>82,822</u>	<u>82,251</u>

10. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	94,087	81,842
Prior year		
UK corporation tax	<u>43</u>	<u>-</u>
Total current tax	<u>94,130</u>	<u>81,842</u>
Deferred tax:		
Accelerated capital allowances	<u>77</u>	<u>3,740</u>
Tax on profit	<u>94,207</u>	<u>85,582</u>

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

10. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2023	2022
	£	£
Profit before tax	<u>420,844</u>	<u>375,307</u>
Profit multiplied by the standard rate of corporation tax in the UK of 21.005 % (2022 - 19 %)	88,398	71,308
Effects of:		
Expenses not deductible for tax purposes	3,643	15,764
Capital allowances in excess of depreciation	-	(5,230)
Depreciation in excess of capital allowances	2,046	-
Adjustments to tax charge in respect of previous periods	43	-
Other timing differences	77	3,740
Total tax charge	<u>94,207</u>	<u>85,582</u>

11. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

12. DIVIDENDS

	2023	2022
	£	£
Ordinary shares of £1 each		
Interim	<u>97,778</u>	<u>97,778</u>

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023****13. INTANGIBLE FIXED ASSETS****Group****Website
and
software
£****COST**At 1 August 2022
and 31 July 202325,803**AMORTISATION**At 1 August 2022
and 31 July 202325,803**NET BOOK VALUE**

At 31 July 2023

-

At 31 July 2022

-**14. TANGIBLE FIXED ASSETS****Group****Plant and
machinery
£****Fixtures
and
fittings
£****Totals
£****COST**

At 1 August 2022

21,767

26,323

48,090

Additions

-2,6462,646

At 31 July 2023

21,76728,96950,736**DEPRECIATION**

At 1 August 2022

7,293

7,572

14,865

Charge for year

4,5809,57514,155

At 31 July 2023

11,87317,14729,020**NET BOOK VALUE**

At 31 July 2023

9,89411,82221,716

At 31 July 2022

14,47418,75133,225

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

15. FIXED ASSET INVESTMENTS

Group

Shares in
group
undertakings
£

COST

At 1 August 2022
and 31 July 2023

8,895,762

NET BOOK VALUE

At 31 July 2023

8,895,762

At 31 July 2022

8,895,762

Company

Shares in
group
undertakings
£

COST

At 1 August 2022
and 31 July 2023

5,165,764

NET BOOK VALUE

At 31 July 2023

5,165,764

At 31 July 2022

5,165,764

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

UK Gas Services (Leicestershire) Group Limited

Registered office: 13 Leicester Road, Groby, Leicester, Leicestershire, LE6 0DQ

Nature of business: Holding company

Class of shares:	% holding
Ordinary	100.00

	2023 £	2022 £
Aggregate capital and reserves	529,590	732,560
Loss for the year	<u>(2,970)</u>	<u>(2,962)</u>

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

16. STOCKS

	Group	
	2023	2022
	£	£
Closing Stock	<u>73,693</u>	<u>89,035</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	801,092	793,946	-	-
Amounts owed by group undertakings	-	-	2,299,695	2,099,695
Amounts recoverable on contract	681,667	834,059	-	-
Other debtors	51,265	18,134	10	10
VAT	-	-	2,503	1,913
Prepayments	85,291	22,118	5,100	5,100
	<u>1,619,315</u>	<u>1,668,257</u>	<u>2,307,308</u>	<u>2,106,718</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 20)	77,250	121,000	-	-
Other loans (see note 20)	150,000	150,000	150,000	150,000
Trade creditors	1,020,304	1,206,492	-	-
Amounts owed to group undertakings	-	-	3,075,344	2,793,826
Taxation	94,087	82,134	-	-
Paye/Ni payable	69,087	142,710	-	-
VAT	304,629	326,614	-	-
Other creditors	18,502	20,390	-	-
Credit card	4,150	4,535	-	-
Directors' loan accounts	99,910	99,910	99,910	99,910
Accruals and deferred income	228,544	58,096	32,497	33,396
	<u>2,066,463</u>	<u>2,211,881</u>	<u>3,357,751</u>	<u>3,077,132</u>

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (see note 20)	84,333	161,583	-	-
Other loans (see note 20)	3,417,000	3,567,000	3,417,000	3,567,000
Accruals and deferred income	503,846	444,570	503,846	444,570
	<u>4,005,179</u>	<u>4,173,153</u>	<u>3,920,846</u>	<u>4,011,570</u>

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Amounts falling due within one year or on demand:				
Bank loans - less than 1 yr	77,250	121,000	-	-
Other loans - less than 1 yr	150,000	150,000	150,000	150,000
	<u>227,250</u>	<u>271,000</u>	<u>150,000</u>	<u>150,000</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	46,000	77,250	-	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	38,333	84,333	-	-
Amounts falling due in more than five years: Repayable otherwise than by instalments				
Loan notes	<u>3,417,000</u>	<u>3,567,000</u>	<u>3,417,000</u>	<u>3,567,000</u>

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2023 £	2022 £
Within one year	43,844	43,844
Between one and five years	52,132	95,976
	<u>95,976</u>	<u>139,820</u>

22. SECURED DEBTS

The following secured debts are included within creditors:

Company	
2023 £	2022 £
<u>3,567,000</u>	<u>3,717,000</u>

Bank overdraft, bank loans and the loan notes are secured on all the assets of the group.

2 APPLES LIMITED (REGISTERED NUMBER: 09428422)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2023

23. PROVISIONS FOR LIABILITIES

	Group	
	2023	2022
	£	£
Deferred taxation	<u>5,429</u>	<u>5,352</u>
Other provisions		
Warranty provision	<u>222,892</u>	<u>31,634</u>
Aggregate amounts	<u>228,321</u>	<u>36,986</u>

Group

	Deferred tax	Warranty Provision
	£	£
Balance at 1 August 2022	5,352	31,634
Movement during year	77	191,258
Balance at 31 July 2023	<u>5,429</u>	<u>222,892</u>

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

25. RESERVES

Group

	Retained earnings
	£
At 1 August 2022	4,275,413
Profit for the year	326,637
Dividends	(97,778)
At 31 July 2023	<u>4,504,272</u>

26. PENSION COMMITMENTS

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group within independently administered funds. The total contributions paid in the year amounted to £102,995 (2022 - £84,470). Contributions of £18,502 (2022 - £20,390) were unpaid at the year end.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

27. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

28. ULTIMATE CONTROLLING PARTY

The directors consider Mr AK Newton to be the ultimate controlling party due to his 51% shareholding.

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.