

Company registration number SC470528 (Scotland)

**24/26 HOLDINGS LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2023**

**24/26 HOLDINGS LTD**

**COMPANY INFORMATION**

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|                          |                      |                             |
|--------------------------|----------------------|-----------------------------|
| <b>Directors</b>         | Mr A Taylor          |                             |
|                          | Mrs T Taylor         |                             |
|                          | Mrs A Stewart        | (Appointed 22 January 2024) |
|                          | Mr A N Taylor        | (Appointed 22 January 2024) |
|                          | Mr K Taylor          | (Appointed 22 January 2024) |
| <b>Company number</b>    | SC470528             |                             |
| <b>Registered office</b> | 30 - 36 Napier Place |                             |
|                          | Wardpark North       |                             |
|                          | Cumbernauld          |                             |
|                          | Glasgow              |                             |
| <b>Auditor</b>           | United Kingdom       |                             |
|                          | G68 0LL              |                             |
|                          | Azets Audit Services |                             |
|                          | Titanium 1           |                             |
| <b>Solicitors</b>        | King's Inch Place    |                             |
|                          | Renfrew              |                             |
|                          | Renfrewshire         |                             |
|                          | United Kingdom       |                             |
|                          | PA4 8WF              |                             |
| <b>Solicitors</b>        | MacRoberts LLP       |                             |
|                          | Capella              |                             |
|                          | 60 York Street       |                             |
|                          | Glasgow              |                             |
|                          | G2 8JX               |                             |

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## 24/26 HOLDINGS LTD

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## **24/26 HOLDINGS LTD**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 OCTOBER 2023**

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The directors present the strategic report for the year ended 31 October 2023.

##### **Review of the business**

Southeast Traders Ltd is a SME UK based wholesaler, our 80,000 sq ft warehouse gives us the ability to carry a large stockholding across a range of products mainly ambient food, drink, household and toiletries. We have a diverse customer base that enables us to deal with all sectors of retail in the UK.

The results for the year show an operating profit of £2.488m (2022 - £1.45m) on sales of £50.9m (2022 - £43.1m).

The group has a net asset value of £7.67m at 31 October 2023 (2022 - £6.46m).

##### **Principal risks and uncertainties**

The group is exposed to market risks arising from its operations. The directors have policies in place to ensure such risks are managed. Examples of these risks include (in no particular order):

##### **Credit risk**

We operate a tight credit control process and a credit insurance policy which limits our exposure.

##### **Liquidity risk**

Southeast Traders have the ability to carry a large variety of stock across a diverse range. The group regularly review stock holding, turnover, margin and overheads which all have an impact on cashflow.

The group has a strong working relationship with a large number of suppliers and actively manages its supplier base.

##### **Economic factors**

The directors assess that the economic impact of inflationary increases in operational costs & specifically the energy pricing crisis may pose risk and uncertainty to the business operations going forward. The business is well placed to mitigate the impact of these risks.

##### **Supply Chain**

The group has a strong working relationship with its suppliers and we believe these place the group in a strong position to continue trading profitably.

##### **Outlook**

Since the year end the group has maintained its position in the sector in which it operates and we believe that it is well positioned to increase its share of the available market.

##### **Key performance indicators**

The group measures revenue, gross margin and operating profit as key financial indicators, stock and debtor levels are also closely monitored.

The directors believe that the monitoring of these KPI's is an effective part of the annual performance.

##### **Financial Instruments**

The group makes little use of financial instruments and the main purpose of these instruments is to raise adequate finance for the group's operations. The Directors believe the group's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material to the assessment of the value of assets, liabilities, the financial position and profit and loss of the group.

**24/26 HOLDINGS LTD**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 OCTOBER 2023***

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On behalf of the board

Mr A Taylor  
**Director**

21 March 2024

## 24/26 HOLDINGS LTD

### DIRECTORS' REPORT

#### FOR THE YEAR ENDED 31 OCTOBER 2023

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The directors present their annual report and financial statements for the year ended 31 October 2023.

#### Principal activities

The principal activity of the company and group continued to be that of wholesaler of food and drink.

#### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £275,000. The directors do not recommend payment of a further dividend.

#### Directors

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

Mr A Taylor

Mrs T Taylor

Mrs A Stewart

(Appointed 22 January 2024)

Mr A N Taylor

(Appointed 22 January 2024)

Mr K Taylor

(Appointed 22 January 2024)

#### Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of disclosure to auditor

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

#### Strategic Report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

On behalf of the board

Mr A Taylor

Director

21 March 2024

## **24/26 HOLDINGS LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 OCTOBER 2023***

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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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## 24/26 HOLDINGS LTD

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 24/26 HOLDINGS LTD

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#### Opinion

We have audited the financial statements of 24/26 Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2023 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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 directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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



## **24/26 HOLDINGS LTD**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF 24/26 HOLDINGS LTD**

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##### **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 their 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 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 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the parent 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.

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.

## 24/26 HOLDINGS LTD

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF 24/26 HOLDINGS LTD

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##### **Extent to which the audit was considered 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

##### **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.

**Jennifer Alexander (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

21 March 2024

**Chartered Accountants**  
**Statutory Auditor**

Titanium 1  
King's Inch Place  
Renfrew  
Renfrewshire  
United Kingdom  
PA4 8WF

## 24/26 HOLDINGS LTD

### GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2023

|                                       | Notes | 2023<br>£        | 2022<br>£        |
|---------------------------------------|-------|------------------|------------------|
| Turnover                              | 3     | 50,864,835       | 43,086,139       |
| Cost of sales                         |       | (46,486,322)     | (40,029,500)     |
| <b>Gross profit</b>                   |       | <b>4,378,513</b> | <b>3,056,639</b> |
| Administrative expenses               |       | (2,055,126)      | (1,645,785)      |
| Other operating income                |       | 164,331          | 37,326           |
| <b>Operating profit</b>               | 5     | <b>2,487,718</b> | <b>1,448,180</b> |
| Interest payable and similar expenses | 8     | (397,151)        | (180,655)        |
| <b>Profit before taxation</b>         |       | <b>2,090,567</b> | <b>1,267,525</b> |
| Tax on profit                         | 9     | (473,412)        | (274,146)        |
| <b>Profit for the financial year</b>  |       | <b>1,617,155</b> | <b>993,379</b>   |

Profit for the financial year is all attributable to the owners of the parent company.

## 24/26 HOLDINGS LTD

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2023

|  | 2023<br>£ | 2022<br>£ |
|--|-----------|-----------|
| Profit for the year                                  | 1,617,155 | 993,379   |
| <b>Other comprehensive income</b>                    |           |           |
| Revaluation of tangible fixed assets                 | (33,167)  | 228,249   |
| Currency translation gain taken to retained earnings | 24        | 3         |
| Tax relating to other comprehensive income           | 8,292     | (57,062)  |
| <b>Other comprehensive income for the year</b>       | (24,851)  | 171,190   |
| <b>Total comprehensive income for the year</b>       | 1,592,304 | 1,164,569 |

Total comprehensive income for the year is all attributable to the owners of the parent company.

## 24/26 HOLDINGS LTD

### GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

|  |       | 2023        |            | 2022         |            |
|--|-------|-------------|------------|--------------|------------|
|  | Notes | £           | £          | £            | £          |
| <b>Fixed assets</b>  |       |             |            |              |            |
| Goodwill   | 11    |             | 98         |              | 98         |
| Other intangible assets  | 11    |             | 85,913     |              | 59,310     |
|  |       |             |            |              |            |
| Total intangible assets  |       |             | 86,011     |              | 59,408     |
| Tangible assets  | 12    |             | 3,808,345  |              | 3,556,886  |
| Investments  | 13    |             | 114,796    |              | 109,168    |
|  |       |             |            |              |            |
|  |       |             | 4,009,152  |              | 3,725,462  |
| <b>Current assets</b>  |       |             |            |              |            |
| Stocks   | 15    | 8,395,805   |            | 6,167,236    |            |
| Debtors  | 16    | 5,556,390   |            | 7,504,373    |            |
| Cash at bank and in hand                                       |       | 146,386     |            | 86,695       |            |
|  |       |             |            |              |            |
|  |       |             | 14,098,581 |              | 13,758,304 |
| <b>Creditors: amounts falling due within one year</b>          | 17    | (9,571,704) |            | (10,288,017) |            |
|  |       |             |            |              |            |
| <b>Net current assets</b>                                      |       |             | 4,526,877  |              | 3,470,287  |
|  |       |             |            |              |            |
| <b>Total assets less current liabilities</b>                   |       |             | 8,536,029  |              | 7,195,749  |
|  |       |             |            |              |            |
| <b>Creditors: amounts falling due after more than one year</b> | 18    |             | (242,920)  |              | (143,023)  |
|  |       |             |            |              |            |
| <b>Provisions for liabilities</b>                              |       |             |            |              |            |
| Deferred tax liability   | 21    | 625,245     |            | 588,877      |            |
|  |       |             | (625,245)  |              | (588,877)  |
|  |       |             |            |              |            |
| <b>Net assets</b>  |       |             | 7,667,864  |              | 6,463,849  |
|  |       |             |            |              |            |
| <b>Capital and reserves</b>                                    |       |             |            |              |            |
| Called up share capital  | 23    |             | 200        |              | 200        |
| Other reserve  |       |             | 390,564    |              | 415,439    |
| Profit and loss reserves                                       |       |             | 7,277,100  |              | 6,048,210  |
|  |       |             |            |              |            |
| <b>Total equity</b>  |       |             | 7,667,864  |              | 6,463,849  |

The financial statements were approved by the board of directors and authorised for issue on 21 March 2024 and are signed on its behalf by:

Mr A Taylor  
Director

Mrs T Taylor  
Director

Company registration number SC470528 (Scotland)

## 24/26 HOLDINGS LTD

### COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

|   |       | 2023    |           | 2022      |           |
|---|-------|---------|-----------|-----------|-----------|
|   | Notes | £       | £         | £         | £         |
| <b>Fixed assets</b>                                   |       |         |           |           |           |
| Investments   | 13    |         | 4,950,184 |           | 4,950,184 |
| <b>Current assets</b>                                 |       |         |           |           |           |
| Debtors   | 16    | 4,372   |           | 185,705   |           |
| <b>Creditors: amounts falling due within one year</b> | 17    | (5,358) |           | (108,402) |           |
| <b>Net current (liabilities)/assets</b>               |       |         | (986)     |           | 77,303    |
| <b>Net assets</b>                                     |       |         | 4,949,198 |           | 5,027,487 |
| <b>Capital and reserves</b>                           |       |         |           |           |           |
| Called up share capital                               | 23    |         | 200       |           | 200       |
| Profit and loss reserves                              |       |         | 4,948,998 |           | 5,027,287 |
| <b>Total equity</b>                                   |       |         | 4,949,198 |           | 5,027,487 |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £275,000 (2022 - £310,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 21 March 2024 and are signed on its behalf by:

Mr A Taylor  
Director

Mrs T Taylor  
Director

Company registration number SC470528 (Scotland)

## 24/26 HOLDINGS LTD

### GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2023

|  |       | Share capital | Other reserve | Profit and loss<br>reserves | Total<br>reserves |
|--|-------|---------------|---------------|-----------------------------|-------------------|
|  | Notes | £             | £             | £                           | £                 |
| <b>Balance at 1 November 2021</b>          |       | 200           | 244,252       | 5,396,666                   | 5,641,118         |
| <b>Year ended 31 October 2022:</b>         |       |               |               |                             |                   |
| Profit for the year                        |       | -             | -             | 993,379                     | 993,379           |
| Other comprehensive income:                |       |               |               |                             |                   |
| Revaluation of tangible fixed assets       |       | -             | 228,249       | -                           | 228,249           |
| Currency translation differences           |       | -             | -             | 3                           | 3                 |
| Tax relating to other comprehensive income |       | -             | (57,062)      | -                           | (57,062)          |
| Total comprehensive income                 |       | -             | 171,187       | 993,382                     | 1,164,569         |
| Dividends                                  | 10    | -             | -             | (310,000)                   | (310,000)         |
| Other movements                            |       | -             | -             | (31,838)                    | (31,838)          |
| <b>Balance at 31 October 2022</b>          |       | 200           | 415,439       | 6,048,210                   | 6,463,849         |
| <b>Year ended 31 October 2023:</b>         |       |               |               |                             |                   |
| Profit for the year                        |       | -             | -             | 1,617,155                   | 1,617,155         |
| Other comprehensive income:                |       |               |               |                             |                   |
| Revaluation of tangible fixed assets       |       | -             | (33,167)      | -                           | (33,167)          |
| Currency translation differences           |       | -             | -             | 24                          | 24                |
| Tax relating to other comprehensive income |       | -             | 8,292         | -                           | 8,292             |
| Total comprehensive income                 |       | -             | (24,875)      | 1,617,179                   | 1,592,304         |
| Dividends                                  | 10    | -             | -             | (275,000)                   | (275,000)         |
| Other movements                            |       | -             | -             | (113,289)                   | (113,289)         |
| <b>Balance at 31 October 2023</b>          |       | 200           | 390,564       | 7,277,100                   | 7,667,864         |

## 24/26 HOLDINGS LTD

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

|  |       | Share capital | Profit and loss reserves | Total     |
|--|-------|---------------|--------------------------|-----------|
|  | Notes | £             | £                        | £         |
| <b>Balance at 1 November 2021</b>                  |       | 200           | 5,027,287                | 5,027,487 |
| <b>Year ended 31 October 2022:</b>                 |       |               |                          |           |
| Profit and total comprehensive income for the year |       | -             | 310,000                  | 310,000   |
| Dividends  | 10    | -             | (310,000)                | (310,000) |
| <b>Balance at 31 October 2022</b>                  |       | 200           | 5,027,287                | 5,027,487 |
| <b>Year ended 31 October 2023:</b>                 |       |               |                          |           |
| Profit and total comprehensive income              |       | -             | 275,000                  | 275,000   |
| Dividends  | 10    | -             | (275,000)                | (275,000) |
| Other movements                                    |       | -             | (78,289)                 | (78,289)  |
| <b>Balance at 31 October 2023</b>                  |       | 200           | 4,948,998                | 4,949,198 |



## 24/26 HOLDINGS LTD

### GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2023

|   | Notes | 2023<br>£ | £                  | 2022<br>£ | £                  |
|---|-------|-----------|--------------------|-----------|--------------------|
| <b>Cash flows from operating activities</b>                   |       |           |                    |           |                    |
| Cash generated from/(absorbed by) operations                  | 27    |           | 3,001,805          |           | (957,632)          |
| Interest paid   |       |           | (397,151)          |           | (180,655)          |
| Income taxes paid   |       |           | (201,746)          |           | (42,615)           |
| <b>Net cash inflow/(outflow) from operating activities</b>    |       |           | <b>2,402,908</b>   |           | <b>(1,180,902)</b> |
| <b>Investing activities</b>                                   |       |           |                    |           |                    |
| Purchase of intangible assets                                 |       | (43,147)  |                    | (46,972)  |                    |
| Purchase of tangible fixed assets                             |       | (303,690) |                    | (155,204) |                    |
| Purchase of other investments                                 |       | (5,628)   |                    | (12,199)  |                    |
| Receipts / (payments) arising from loans made                 |       | (13,440)  |                    | 51,148    |                    |
| <b>Net cash used in investing activities</b>                  |       |           | <b>(365,905)</b>   |           | <b>(163,227)</b>   |
| <b>Financing activities</b>                                   |       |           |                    |           |                    |
| Payment of finance leases obligations                         |       | (21,598)  |                    | (17,292)  |                    |
| Dividends paid to equity shareholders                         |       | (275,000) |                    | (310,000) |                    |
| <b>Net cash used in financing activities</b>                  |       |           | <b>(296,598)</b>   |           | <b>(327,292)</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       |           | <b>1,740,405</b>   |           | <b>(1,671,421)</b> |
| Cash and cash equivalents at beginning of year                |       |           | (6,919,817)        |           | (5,248,399)        |
| Effect of foreign exchange rates                              |       |           | 24                 |           | 3                  |
| <b>Cash and cash equivalents at end of year</b>               |       |           | <b>(5,179,388)</b> |           | <b>(6,919,817)</b> |
| <b>Relating to:</b>   |       |           |                    |           |                    |
| Cash at bank and in hand                                      |       |           | 146,386            |           | 86,695             |
| Bank overdrafts included in creditors payable within one year |       |           | (5,325,774)        |           | (7,006,512)        |

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 OCTOBER 2023**

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#### **1 Accounting policies**

##### **Company information**

24/26 Holdings Ltd ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is 30 - 36 Napier Place, Wardpark North, Cumbernauld, Glasgow, G68 0LL.

The group consists of 24/26 Holdings Ltd and all of its subsidiaries.

##### **1.1 Accounting convention**

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

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

The financial statements have been prepared under the historical cost convention, modified to include freehold properties at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company 24/26 Holdings Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 October 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

(Continued)

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.

#### 1.3 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

In satisfaction of their responsibility, the directors have considered the group's ability to meet its liabilities as they fall due. This assessment considers the group's principal risks and uncertainties and is dependent on a number of factors including financial performance and available financial resources.

The current and future financial position of the group, its cash flows and liquidity position have been reviewed by the directors.

Following this review, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

#### 1.4 Turnover

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

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

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

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life. Goodwill has a remaining expected life of 1 year.

#### 1.7 Intangible fixed assets other than goodwill

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

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

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 1 Accounting policies

(Continued)

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

|                     |             |
|---------------------|-------------|
| Patents & licences  | 20% on cost |
| Trademarks & brands | 20% on cost |

#### 1.8 Tangible fixed assets

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

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

|                          |                             |
|--------------------------|-----------------------------|
| Improvements to property | 5% on cost                  |
| Plant and equipment      | 20% on reducing balance     |
| Fixtures and fittings    | 20% on reducing balance     |
| Computer equipment       | 33% on cost and 25% on cost |
| Motor vehicles           | 33% on cost                 |

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 income statement.

The directors believe that the policy of not providing depreciation on freehold property is necessary in order for the financial statements to give a true and fair view, since the current value of freehold property and changes to that value, are of prime importance rather than a calculation of systematic annual depreciation.

#### 1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.10 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

(Continued)

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

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

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

##### 1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

##### 1.12 Cash and cash equivalents

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

##### 1.13 Financial instruments

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

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

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

##### **Basic financial assets**

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

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 1 Accounting policies

(Continued)

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

#### 1.14 Equity instruments

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

#### 1.15 Taxation

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

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 1 Accounting policies

(Continued)

##### **Current tax**

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

##### **Deferred tax**

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.16 Employee benefits**

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

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

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

##### **1.17 Retirement benefits**

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

##### **1.18 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### **1.19 Foreign exchange**

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

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 2 Judgements and key sources of estimation uncertainty

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

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

##### Key sources of estimation uncertainty

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

##### Valuation of stock

In the application of the company's accounting policies, the directors are required to make judgements and assumptions about the carrying amounts of stock. The assumptions are based on the company's historical experience and taking into account any other factors known to affect the valuation.

#### 3 Turnover

|   | 2023<br>£  | 2022<br>£  |
|---|------------|------------|
| <b>Turnover analysed by class of business</b> |            |            |
| Wholesale goods                               | 50,864,835 | 43,086,139 |

#### 4 Auditor's remuneration

|   | 2023<br>£ | 2022<br>£ |
|---|-----------|-----------|
| Fees payable to the company's auditor and associates:           |           |           |
| <b>For audit services</b>                                       |           |           |
| Audit of the financial statements of the group and company      | 8,000     | 4,500     |
| Audit of the financial statements of the company's subsidiaries | 27,000    | 25,000    |
|   | 35,000    | 29,500    |

#### 5 Operating profit

|   | 2023<br>£ | 2022<br>£ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): |           |           |
| Exchange gains  | (8)       | (10,618)  |
| Depreciation of owned tangible fixed assets                         | 105,895   | 94,431    |
| Depreciation of tangible fixed assets held under finance leases     | 29,887    | 3,352     |
| Amortisation of intangible assets                                   | 16,544    | 44,342    |



## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 6 Employees

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

|                         | Group<br>2023<br>Number | 2022<br>Number | Company<br>2023<br>Number | 2022<br>Number |
|-------------------------|-------------------------|----------------|---------------------------|----------------|
| Traders and admin staff | 23                      | 20             | 2                         | 2              |

Their aggregate remuneration comprised:

|                       | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|-----------------------|--------------------|-----------|----------------------|-----------|
| Wages and salaries    | 835,189            | 736,500   | -                    | -         |
| Social security costs | 86,517             | 78,343    | -                    | -         |
| Pension costs         | 20,972             | 15,830    | -                    | -         |
|                       | 942,678            | 830,673   | -                    | -         |

#### 7 Directors' remuneration

|                                      | 2023<br>£ | 2022<br>£ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 16,892    | 14,603    |

#### 8 Interest payable and similar expenses

|  | 2023<br>£ | 2022<br>£ |
|--|-----------|-----------|
| <b>Interest on financial liabilities measured at amortised cost:</b> |           |           |
| Interest on bank overdrafts and loans                                | 217,236   | 102,068   |
| Interest on invoice finance arrangements                             | 179,915   | 78,587    |
|  | 397,151   | 180,655   |

#### 9 Taxation

|  | 2023<br>£ | 2022<br>£ |
|--|-----------|-----------|
| <b>Current tax</b>                                   |           |           |
| UK corporation tax on profits for the current period | 431,010   | 201,751   |
| Adjustments in respect of prior periods              | (2,258)   | 7,500     |
| Total current tax                                    | 428,752   | 209,251   |

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 9 Taxation (Continued)

|  | 2023<br>£      | 2022<br>£      |
|--|----------------|----------------|
| <b>Deferred tax</b>                            |                |                |
| Origination and reversal of timing differences | 44,660         | 64,895         |
|  | <u>44,660</u>  | <u>64,895</u>  |
| <b>Total tax charge</b>                        | <u>473,412</u> | <u>274,146</u> |

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

|  | 2023<br>£        | 2022<br>£        |
|--|------------------|------------------|
| Profit before taxation   | 2,090,567        | 1,267,525        |
|  | <u>2,090,567</u> | <u>1,267,525</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 22.52% (2022: 19.00%) | 470,749          | 240,830          |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 10,023           | 4,158            |
| Adjustments in respect of prior years  | (2,258)          | 7,500            |
| Fixed asset differences  | (9,439)          | 6,074            |
| Marginal relief  | (97)             | -                |
| Remeasurement of deferred tax for changes in tax rates   | 4,434            | 15,584           |
|  | <u>473,412</u>   | <u>274,146</u>   |
| <b>Taxation charge</b>   | <u>473,412</u>   | <u>274,146</u>   |

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

|                          | 2023<br>£      | 2022<br>£     |
|--------------------------|----------------|---------------|
| Deferred tax arising on: |                |               |
| Revaluation of property  | (8,292)        | 57,062        |
|                          | <u>(8,292)</u> | <u>57,062</u> |

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 10 Dividends

|  | 2023<br>Per share<br>£ | 2022<br>Per share<br>£ | 2023<br>Total<br>£ | 2022<br>Total<br>£ |
|--|------------------------|------------------------|--------------------|--------------------|
| Recognised as distributions to equity holders: |                        |                        |                    |                    |
| <b>A Ordinary Shares</b>                       |                        |                        |                    |                    |
| Interim paid                                   | 1,237.00               | 1,237.11               | 240,000            | 240,000            |
| <b>B Ordinary Shares</b>                       |                        |                        |                    |                    |
| Interim paid                                   | 5,000.00               | 10,000.00              | 10,000             | 20,000             |
| <b>C Ordinary Shares</b>                       |                        |                        |                    |                    |
| Interim paid                                   | 12,500.00              | 25,000.00              | 25,000             | 50,000             |
| <b>Total dividends</b>                         |                        |                        |                    |                    |
| Interim dividends paid                         |                        |                        | 275,000            | 310,000            |

#### 11 Intangible fixed assets

| Group                              | Goodwill<br>£ | Patents &<br>licences<br>£ | Trademarks &<br>brands<br>£ | Total<br>£ |
|------------------------------------|---------------|----------------------------|-----------------------------|------------|
| <b>Cost</b>                        |               |                            |                             |            |
| At 1 November 2022                 | 500,098       | 90,117                     | 30,546                      | 620,761    |
| Additions                          | -             | 41,897                     | 1,250                       | 43,147     |
| At 31 October 2023                 | 500,098       | 132,014                    | 31,796                      | 663,908    |
| <b>Amortisation and impairment</b> |               |                            |                             |            |
| At 1 November 2022                 | 500,000       | 53,403                     | 7,950                       | 561,353    |
| Amortisation charged for the year  | -             | 12,414                     | 4,130                       | 16,544     |
| At 31 October 2023                 | 500,000       | 65,817                     | 12,080                      | 577,897    |
| <b>Carrying amount</b>             |               |                            |                             |            |
| At 31 October 2023                 | 98            | 66,197                     | 19,716                      | 86,011     |
| At 31 October 2022                 | 98            | 36,714                     | 22,596                      | 59,408     |

The company had no intangible fixed assets at 31 October 2023 or 31 October 2022.

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

#### 12 Tangible fixed assets

| Group                              | Freehold land/improvements to and buildings | property  | Plant and equipment | Fixtures and fittings | Computer equipment | Motor vehicles | Total     |
|------------------------------------|---|-----------|---------------------|-----------------------|--------------------|----------------|-----------|
|                                    | £   | £         | £                   | £                     | £                  | £              | £         |
| <b>Cost or valuation</b>           |   |           |                     |                       |                    |                |           |
| At 1 November 2022                 | 2,553,919                                   | 1,064,482 | -                   | 206,381               | 118,420            | 246,752        | 4,189,954 |
| Additions                          | -   | 87,201    | 95,500              | 89,503                | 31,486             | 116,718        | 420,408   |
| Revaluation                        | (33,167)                                    | -         | -                   | -                     | -                  | -              | (33,167)  |
| At 31 October 2023                 | 2,520,752                                   | 1,151,683 | 95,500              | 295,884               | 149,906            | 363,470        | 4,577,195 |
| <b>Depreciation and impairment</b> |   |           |                     |                       |                    |                |           |
| At 1 November 2022                 | -   | 318,401   | -                   | 170,770               | 99,317             | 44,580         | 633,068   |
| Depreciation charged in the year   | -   | 54,034    | 12,733              | 24,185                | 8,099              | 36,731         | 135,782   |
| At 31 October 2023                 | -   | 372,435   | 12,733              | 194,955               | 107,416            | 81,311         | 768,850   |
| <b>Carrying amount</b>             |   |           |                     |                       |                    |                |           |
| At 31 October 2023                 | 2,520,752                                   | 779,248   | 82,767              | 100,929               | 42,490             | 282,159        | 3,808,345 |
| At 31 October 2022                 | 2,553,919                                   | 746,081   | -                   | 35,611                | 19,103             | 202,172        | 3,556,886 |

The company had no tangible fixed assets at 31 October 2023 or 31 October 2022.

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

|                | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|----------------|--------------------|-----------|----------------------|-----------|
| Motor vehicles | 275,108            | 188,277   | -                    | -         |

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

|                          | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|--------------------------|--------------------|-----------|----------------------|-----------|
| Cost                     | 927,364            | 927,364   | -                    | -         |
| Accumulated depreciation | -                  | -         | -                    | -         |
| Carrying value           | 927,364            | 927,364   | -                    | -         |

The fair value of the freehold property has been arrived at on the basis of a valuation carried out at 9 February 2023 by Pearson Property Consultancy Limited, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The directors consider the recent valuation to be the market value of the investment property. The valuation totals £3.3m which is split between £2.521m of freehold property and £779k of improvements to property.

#### 13 Fixed asset investments

|                             | Notes | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 14    | -                  | -         | 4,950,184            | 4,950,184 |
| Other investments           |       | 114,796            | 109,168   | -                    | -         |
|                             |       | 114,796            | 109,168   | 4,950,184            | 4,950,184 |

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

|   |                                |   |
|---|--------------------------------|---|
| <b>13</b>   | <b>Fixed asset investments</b> | <b>(Continued)</b>                      |
| <b>Movements in fixed asset investments Group</b>   |                                | <b>Other<br/>£</b>                      |
| <b>Cost or valuation</b>                            |                                |   |
| At 1 November 2022                                  |                                | 109,168                                 |
| Additions   |                                | 5,628                                   |
| At 31 October 2023                                  |                                | 114,796                                 |
| <b>Carrying amount</b>                              |                                |   |
| At 31 October 2023                                  |                                | 114,796                                 |
| At 31 October 2022                                  |                                | 109,168                                 |
| <b>Movements in fixed asset investments Company</b> |                                | <b>Shares in<br/>subsidiaries<br/>£</b> |
| <b>Cost or valuation</b>                            |                                |   |
| At 1 November 2022 and 31 October 2023              |                                | 4,950,184                               |
| <b>Carrying amount</b>                              |                                |   |
| At 31 October 2023                                  |                                | 4,950,184                               |
| At 31 October 2022                                  |                                | 4,950,184                               |

#### 14 Subsidiaries

Details of the company's subsidiaries at 31 October 2023 are as follows:

| Name of undertaking                         | Registered office | Nature of business         | Class of shares held | % Held<br>Direct |
|---|-------------------|----------------------------|----------------------|------------------|
| Alathe Investments Limited (1)              |                   | Property ownership         | Ordinary             | 100              |
| C R C Innovations (Scotland) Limited (2)    |                   | Wholesaler of food & drink | Ordinary             | 100              |
| C R C Innovations International Limited (3) |                   | Wholesaler of food & drink | Ordinary             | 100              |
| Southeast Traders Limited (1)               |                   | Wholesaler of food & drink | Ordinary             | 100              |

(1) Titanium 1, King's Inch Place, Renfrew, PA4 8WF.

(2) 30 Napier Place, Wardpark North, Cumbernauld, Glasgow, G68 0LL.

(3) FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co Louth, Ireland.

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 15 Stocks

|                                     | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|-------------------------------------|--------------------|-----------|----------------------|-----------|
| Finished goods and goods for resale | 8,395,805          | 6,167,236 | -                    | -         |

#### 16 Debtors

|   | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|---|--------------------|-----------|----------------------|-----------|
| <b>Amounts falling due within one year:</b> |                    |           |                      |           |
| Trade debtors                               | 3,852,655          | 5,707,152 | -                    | -         |
| Corporation tax recoverable                 | 18,139             | 14,621    | -                    | -         |
| Amounts owed by group undertakings          | -                  | -         | 4,174                | 4,174     |
| Other debtors                               | 1,309,527          | 1,478,346 | 198                  | 181,531   |
| Prepayments and accrued income              | 376,069            | 304,254   | -                    | -         |
|   | 5,556,390          | 7,504,373 | 4,372                | 185,705   |

Included within trade debtors is £3,811,128 (2022 - £5,659,068) which is subject to an invoice discounting arrangement.

#### 17 Creditors: amounts falling due within one year

|                                    | Notes | Group<br>2023<br>£ | 2022<br>£  | Company<br>2023<br>£ | 2022<br>£ |
|------------------------------------|-------|--------------------|------------|----------------------|-----------|
| Bank loans and overdrafts          | 19    | 5,325,774          | 7,006,512  | -                    | -         |
| Obligations under finance leases   | 20    | 26,536             | 31,313     | -                    | -         |
| Trade creditors                    |       | 3,036,500          | 2,496,623  | -                    | -         |
| Amounts owed to group undertakings |       | -                  | -          | -                    | 106,551   |
| Corporation tax payable            |       | 439,510            | 208,986    | -                    | -         |
| Other taxation and social security |       | 552,760            | 461,459    | -                    | -         |
| Other creditors                    |       | 6,197              | 8,769      | 101                  | 101       |
| Accruals and deferred income       |       | 184,427            | 74,355     | 5,257                | 1,750     |
|                                    |       | 9,571,704          | 10,288,017 | 5,358                | 108,402   |

#### 18 Creditors: amounts falling due after more than one year

|                                  | Notes | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|----------------------------------|-------|--------------------|-----------|----------------------|-----------|
| Obligations under finance leases | 20    | 242,920            | 143,023   | -                    | -         |

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

#### 19 Loans and overdrafts

|                         | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|-------------------------|--------------------|-----------|----------------------|-----------|
| Bank overdrafts         | 5,325,774          | 7,006,512 | -                    | -         |
| Payable within one year | 5,325,774          | 7,006,512 | -                    | -         |

The bank has a floating charge over the assets of the company.

A cross guarantee exists between Southeast Traders Limited, CRC Innovations (Scotland) Limited, Alathe Investments Limited and 24/26 Holdings Limited for all monies owing to the bank by the borrower.

A standard security is in place over the property of Alathe Investments Limited.

Included within bank overdrafts is an amount of £3,259,526 (2022 - £4,811,697) which is drawn on an invoice discounting account. This balance is secured over trade debtors to which it relates.

#### 20 Finance lease obligations

|   | Group<br>2023<br>£ | 2022<br>£ | Company<br>2023<br>£ | 2022<br>£ |
|---|--------------------|-----------|----------------------|-----------|
| Future minimum lease payments due under finance leases: |                    |           |                      |           |
| Within one year   | 26,536             | 31,313    | -                    | -         |
| In two to five years                                    | 242,920            | 143,023   | -                    | -         |
|   | 269,456            | 174,336   | -                    | -         |

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is four years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

#### 21 Deferred taxation

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

|                                | Liabilities<br>2023<br>£ | Liabilities<br>2022<br>£ |
|--------------------------------|--------------------------|--------------------------|
| <b>Group</b>                   |                          |                          |
| Accelerated capital allowances | 625,245                  | 588,877                  |

The company has no deferred tax assets or liabilities.



## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

#### 21 Deferred taxation (Continued)

|                                      | Group<br>2023<br>£ | Company<br>2023<br>£ |
|--------------------------------------|--------------------|----------------------|
| <b>Movements in the year:</b>        |                    |                      |
| Liability at 1 November 2022         | 588,877            | -                    |
| Charge to profit or loss             | 44,660             | -                    |
| Credit to other comprehensive income | (8,292)            | -                    |
|                                      | <u>625,245</u>     | <u>-</u>             |
| Liability at 31 October 2023         | <u>625,245</u>     | <u>-</u>             |

#### 22 Retirement benefit schemes

|   | 2023<br>£     | 2022<br>£     |
|---|---------------|---------------|
| <b>Defined contribution schemes</b>                                 |               |               |
| Charge to profit or loss in respect of defined contribution schemes | 20,972        | 15,830        |
|   | <u>20,972</u> | <u>15,830</u> |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 23 Share capital

| Group and company             | 2023<br>Number | 2022<br>Number | 2023<br>£  | 2022<br>£  |
|-------------------------------|----------------|----------------|------------|------------|
| <b>Ordinary share capital</b> |                |                |            |            |
| <b>Issued and fully paid</b>  |                |                |            |            |
| A Ordinary Shares of £1 each  | 194            | 194            | 194        | 194        |
| B Ordinary Shares of £1 each  | 2              | 2              | 2          | 2          |
| C Ordinary Shares of £1 each  | 2              | 2              | 2          | 2          |
| D Ordinary Shares of £1 each  | 2              | 2              | 2          | 2          |
|                               | <u>200</u>     | <u>200</u>     | <u>200</u> | <u>200</u> |

Each class of share ranks pari passu in all respects save that the 'B' shares, 'C' share and 'D' shares do not carry the right to receive notice of, attend or vote at any general meeting of the Company nor to vote on a written resolution of the members.

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

#### 24 Operating lease commitments

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

|                            | Group<br>2023<br>£ | 2022<br>£     | Company<br>2023<br>£ | 2022<br>£ |
|----------------------------|--------------------|---------------|----------------------|-----------|
| Within one year            | 51,924             | 43,180        | -                    | -         |
| Between two and five years | 6,883              | 5,969         | -                    | -         |
|                            | <u>58,807</u>      | <u>49,149</u> | <u>-</u>             | <u>-</u>  |

#### 25 Related party transactions

##### Remuneration of key management personnel

Key management personnel are considered to be the directors of the company. Remuneration in respect of the directors can be seen in note 7 to these financial statements. Dividends amounting to £240,000 were paid to directors of the company.

##### Other information

During the year, total dividends of £275,000 (2022 - £310,000) were paid to the shareholders.

At 31 October 2023, the directors owed £27,382 (2022 - £13,152) to the group. This loan is non interest bearing and has no fixed repayment date.

At 31 October 2023, the group are owed £1,244,064 (2022 - £1,333,567) by Southeast Developments (Scotland) Limited, a company under common directorship.

At 31 October 2023, the group are owed £31,958 (2022 - £21,036) by family members of the directors.

#### 26 Controlling party

The group is under the control of Mrs T Taylor & Mr A Taylor by virtue of their shareholding.

## 24/26 HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

#### 27 Cash generated from/(absorbed by) group operations

|  | 2023<br>£        | 2022<br>£        |
|--|------------------|------------------|
| Profit for the year after tax                        | 1,617,155        | 993,379          |
| <b>Adjustments for:</b>                              |                  |                  |
| Taxation charged                                     | 473,412          | 274,146          |
| Finance costs  | 397,151          | 180,655          |
| Amortisation and impairment of intangible assets     | 16,544           | 44,342           |
| Depreciation and impairment of tangible fixed assets | 135,782          | 97,783           |
| <b>Movements in working capital:</b>                 |                  |                  |
| Increase in stocks                                   | (2,228,569)      | (740,336)        |
| Decrease/(increase) in debtors                       | 1,851,652        | (1,961,591)      |
| Increase in creditors                                | 738,678          | 153,990          |
| <b>Cash generated from/(absorbed by) operations</b>  | <b>3,001,805</b> | <b>(957,632)</b> |

#### 28 Analysis of changes in net debt - group

|                                  | 1 November<br>2022<br>£ | Cash flows<br>£ | New finance<br>leases<br>£ | Exchange rate<br>movements<br>£ | 31 October 2023<br>£ |
|----------------------------------|-------------------------|-----------------|----------------------------|---------------------------------|----------------------|
| Cash at bank and in hand         | 86,695                  | 59,667          | -                          | 24                              | 146,386              |
| Bank overdrafts                  | (7,006,512)             | 1,680,738       | -                          | -                               | (5,325,774)          |
|                                  | (6,919,817)             | 1,740,405       | -                          | 24                              | (5,179,388)          |
| Obligations under finance leases | (174,336)               | 21,598          | (116,718)                  | -                               | (269,456)            |
|                                  | (7,094,153)             | 1,762,003       | (116,718)                  | 24                              | (5,448,844)          |

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