

Company registration number 00529964 (England and Wales)

CURTIS HOLT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CURTIS HOLT LIMITED
COMPANY INFORMATION

Directors	A J T Strong T J Strong
Secretary	N Hussain
Company number	00529964
Registered office	Long Reach Galleon Boulevard Crossways Business Park Dartford Kent DA2 6QE
Auditor	Clarkson Hyde LLP 3rd Floor Chancery House St Nicholas Way Sutton Surrey SM1 1JB
Bankers	HSBC Bank plc City of London Corporate Banking Centre 60 Queen Victoria Street London EC4N 4TR

CURTIS HOLT LIMITED

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CURTIS HOLT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

I present the financial statements for the year ended 31 December 2022 and the Board's Strategic Report.

BUSINESS REVIEW

The business remains focussed on providing an extensive range of hand tools, power tools, consumables, accessories, fixings, and fasteners, which we stock in depth and make available to all genuine re-sellers of such products. We strive to offer a service that is second to none and a comprehensive package of sales, promotions and marketing support designed to assist our customers to sell our products to theirs.

Sales unsurprisingly fell from £159m to £137m (down 14%) coming off the back of an exceptional year in 2021, which saw the market bounce back after the Covid-19 pandemic. Distribution costs were up slightly despite a reduction in turnover as fuel prices increased substantially compared to the prior year.

Other overheads started to see increases from the UK's increased inflation rate towards the second half of the year holding costs close to prior year levels. Overall operating profits decreased from £12.1m to £6.3m (down 48%).

KEY PERFORMANCE INDICATORS

The Company monitors performance throughout the year. Key performance indicators include turnover, overheads (as a percentage of sales), and operating profit.

	2022	2021	Movement %	£'000	£'000
Turnover	137,382	159,444	(14%)		
Overheads % sales	20.7%	17.8%			
Operating profit	6,334	12,100	(48%)		

CURTIS HOLT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to some risks and uncertainties which the Directors believe could have an impact on the Company's financial performance. The principal risks and management's response to them are detailed below.

Market conditions and competition

The Company sells into different market sectors including the construction industry and DIY sector, and demand is subject to fluctuation. The current high inflation level and cost of living pressures have affected these sectors as well as the wider economy. The Company's businesses are subject to competition from other distributors, manufacturers and retailers. These risks are managed by management continually monitoring the markets and adapting our strategy so that the Company continues to provide a compelling service to customers.

Global political & trade risk

The Company imports products into the UK which are manufactured in Europe and from many regions including the Far East. The group remains subject to the risk of political change, policies, taxes and duties from the sources of these activities. The group seeks to diversify sources of supply to minimise over reliance on any one geographical region.

Foreign currency risk

The Company mainly transacts in three currencies, Sterling, Euro, and US Dollar and is hence exposed to foreign currency risk. This is de-risked through regular review of demand and financial hedging on a quarterly basis out into the future. There are also some natural currency hedges between the UK and Europe.

Credit risk

The Company provides credit terms to many customers and there is an associated risk that outstanding balances are not paid as they fall due. Management policies require credit checks on potential customers before transactions are made and review of these checks on an ongoing basis. The exposure to any one customer is controlled through a credit limit which is monitored on an ongoing basis.

Systems risk

Information Technology Systems are important to the Company's operations. Any loss of these systems would limit the ability of the organisation to deliver our service to the customer. The Company has constant review of risks to IT and has a disaster recovery plan in place to minimise potential downtime in the event of an issue.

CURTIS HOLT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

STAKEHOLDERS AND DIRECTORS' DUTIES UNDER SECTION 172 OF THE COMPANIES ACT 2006

The Board takes into consideration the interests of stakeholders in their decision making.

Our people

Our people are at the heart of the Company. We have over 500 colleagues within a variety of branches and departments, including warehousing, transport, purchasing, sales, distribution centres, and accounts. The Company continues to improve its support to colleagues, including through leadership courses, wider training and development opportunities, apprenticeships and health and wellbeing programmes.

We look after our people through creating safe, rewarding and fulfilling work, in a supportive culture with values established by our founders. In addition, our shareholders share profits with all employees through bonus schemes.

Branch managers and their teams have daily engagement with their colleagues. Wider engagement is through our Group magazine and site visits by the Senior Management and the Board. We specifically have governance committees involving employee representatives, which oversee the Company's pension schemes and review their structure and performance, on behalf of the Company and our employees.

Our people have been affected by the difficult economic environment, and inflationary increases on cost of living. We have offered both financial and non-financial support to colleagues and, in particular, have sought to mitigate this through a tiered approach to annual pay award for 2023, with lower salaried colleagues receiving higher percentage increases. We believe that a working environment that shows understanding of the cost-of-living pressure on employees is the best way to attract, retain and support great people.

Our customers

Key to the success and growth of the Company are our broad range of customers. The Company continues to focus on our 'par excellence' service proposition to all customers, so that we can support them in responding to the changes in consumer demand and enable them to grow their business. We have a strong proposition offering the widest range of brands, technical product advice, sales support, marketing, merchandising and promotions underpinned by excellent stock availability, next day delivery and credit, all at competitive prices due to our scale.

We engage with our customers through sales representatives, divisional and branch managers, dedicated service teams, trade shows and B2B channels. We have recently undertaken, customer surveys in both our Fixings and Toolbank divisions and derive great benefit from such feedback.

Our customers have faced inflationary increases in their own operational costs and lower sales volumes due to the cost of living crisis suppressing certain market segments. We are providing more efficient ways to place orders (digital B2B) and providing competitive advantage through promotions and new product launches.

Our suppliers

Our relationships with suppliers are a key focus to ensure the Company can supply third party and exclusive brands at competitive prices in a timely manner to our customers and ultimately to the end-consumers. We work with suppliers across the globe manufacturing a diverse range of products and provide them with a cost efficient and effective route to market for their products to a fragmented customer base.

We visit suppliers' sites and premises and regularly discuss sales data, product ranges and customer insights. We also engage on sustainability matters, including on managing the risk in the supply chain of areas of modern slavery.

Suppliers have faced an increase in their own operational costs, and we have worked together to ensure products have a competitive advantage.

Our communities and the environment

The Group contributes to local communities by employment in our branches and focussing on local recruitment. A recruitment referral scheme is in operation whereby employees can receive an incentive for referring people they know who are recruited and successfully complete their probation period. An apprenticeship programme is in place helping to enrol new colleagues who wish to obtain workplace qualifications.

The Group has set aside funding for charitable donations, many of which relate to employee activities and go to causes in their local communities.

The Group has also developed a greater understanding of its impact on the environment and how this could be mitigated with several decarbonisation actions being pursued with a view to reducing operational carbon emissions, and ultimately benefiting communities.

CURTIS HOLT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

LOOKING FORWARD

The Company continues to focus on providing a service 'par excellence' to our customers and expansion through organic growth, investment in IT and distribution capability and acquisition.

The Board would like to thank all our employees for their commitment and hard work. We are also very grateful for the support of our customers and suppliers and all those that have played a part in helping to deliver our performance for 2022.

On behalf of the board

T J Strong
Director

13 September 2023

CURTIS HOLT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of distributors of hand tools and allied products.

Results and dividends

The results for the year are set out on page 10.

An ordinary dividend was paid up to the parent company amounting to £2,955,000 (2021: £4,230,000).

Directors

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

A J T Strong

T J Strong

Market value of land and buildings

Land and buildings are shown consistently at depreciated cost price which the directors consider to be a fair representation of their intrinsic value.

Disabled persons

The company's policy is to be unbiased when dealing with job applications which might be suitable for disabled persons. All necessary assistance with initial training courses is given to all staff.

Employee involvement

The company's policy is to consult and discuss with employees matters likely to affect employees' interests, and information is communicated through local managers.

Post reporting date events

No significant events have occurred since the end of the year.

Future developments

It is intended that future developments should continue in our existing fields of activity.

Auditor

In accordance with the company's articles, a resolution proposing that Clarkson Hyde LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

SECR data for Curtis Holt Limited has been incorporated into our Group submission, under Dormele Limited. The board remains committed to reducing our energy consumption.

CURTIS HOLT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' responsibilities

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

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

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

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

Statement of disclosure to auditor

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

On behalf of the board

T J Strong
Director

13 September 2023

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CURTIS HOLT LIMITED

Opinion

We have audited the financial statements of Curtis Holt Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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.

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CURTIS HOLT LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CURTIS HOLT LIMITED

Graham Speck
Senior Statutory Auditor
For and on behalf of Clarkson Hyde LLP

13 September 2023

Chartered Accountants
Statutory Auditor

3rd Floor
Chancery House
St Nicholas Way
Sutton
Surrey
SM1 1JB

CURTIS HOLT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
Turnover	3	137,382	159,444
Cost of sales		(102,652)	(118,963)
Gross profit		34,730	40,481
Distribution costs		(7,878)	(7,771)
Administrative expenses		(20,653)	(20,734)
Other operating income		135	124
Operating profit	4	6,334	12,100
Interest receivable and similar income	6	850	850
Interest payable and similar expenses	7	(404)	(295)
Profit before taxation		6,780	12,655
Tax on profit	8	(1,087)	(2,193)
Profit for the financial year		5,693	10,462

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CURTIS HOLT LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2022**

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		2,469		2,492
Investments	11		598		598
			<u>3,067</u>		<u>3,090</u>
Current assets					
Stocks	13	19,244		22,456	
Debtors	14	16,973		20,185	
Cash at bank and in hand		45,786		40,141	
		<u>82,003</u>		<u>82,782</u>	
Creditors: amounts falling due within one year	15	(12,737)		(16,383)	
		<u></u>		<u></u>	
Net current assets			69,266		66,399
			<u></u>		<u></u>
Total assets less current liabilities			72,333		69,489
Creditors: amounts falling due after more than one year	16		(296)		(215)
Provisions for liabilities					
Deferred tax liability	18	25		-	
		<u></u>	(25)	<u></u>	-
Net assets			<u>72,012</u>		<u>69,274</u>
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	20		17		17
Profit and loss reserves	21		71,995		69,257
			<u></u>		<u></u>
Total equity			<u>72,012</u>		<u>69,274</u>
			<u></u>		<u></u>

The financial statements were approved by the board of directors and authorised for issue on 13 September 2023 and are signed on its behalf by:

T J Strong
Director

Company Registration No. 00529964

CURTIS HOLT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Share capital	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000
Balance at 1 January 2021		17	63,025	63,042
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	10,462	10,462
Dividends	9	-	(4,230)	(4,230)
Balance at 31 December 2021		17	69,257	69,274
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	5,693	5,693
Dividends	9	-	(2,955)	(2,955)
Balance at 31 December 2022		17	71,995	72,012

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Curtis Holt Limited is a private company limited by shares incorporated in England and Wales. The registered office is Long Reach, Galleon Boulevard, Crossways Business Park, Dartford, Kent, DA2 6QE.

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 £'000.

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Curtis Holt Limited is a wholly owned subsidiary of Dormole Limited and the results of Curtis Holt Limited are included in the consolidated financial statements of Dormole Limited which are available from the registered office.

1.2 Going concern

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

1.3 Turnover

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

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

1.4 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.

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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:

Land and buildings Leasehold	The shorter of the term of the lease or 50 years
Computer equipment	20% - 100% Straight line (hardware) & 20% - 50% Straight line (software)
Fixtures, fittings & equipment	20% - 33.3% Straight line
Motor vehicles	25% Reducing balance (cars) & 33.3% Straight line (vans)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

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

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

1.6 Impairment of fixed assets

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

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

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

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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 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.

1.9 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors 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.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 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.

CURTIS HOLT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies (Continued)****1.13 Retirement benefits**

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

1.14 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 balance sheet 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.

1.15 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

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

	2022 £'000	2021 £'000
Turnover analysed by class of business		
Sales of tools	137,382	159,444
	<u>137,382</u>	<u>159,444</u>
Turnover analysed by geographical market		
United Kingdom	137,382	159,444
	<u>137,382</u>	<u>159,444</u>
Other revenue		
Dividends received	850	850
	<u>850</u>	<u>850</u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit

	2022	2021
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	66
Fees payable to the company's auditor for the audit of the company's financial statements	95	92
Depreciation of owned tangible fixed assets	641	712
Depreciation of tangible fixed assets held under finance leases	306	344
Profit on disposal of tangible fixed assets	(164)	(129)
	=====	=====

5 Employees

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

	2022	2021
	Number	Number
Distribution and service	311	282
Administrative and management	203	204
	=====	=====
Total	514	486

Their aggregate remuneration comprised:

	2022	2021
	£'000	£'000
Wages and salaries	15,696	15,645
Pension costs	901	774
	=====	=====
	16,597	16,419

6 Interest receivable and similar income

	2022	2021
	£'000	£'000
Income from fixed asset investments		
Income from shares in group undertakings	850	850
	=====	=====

7 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest on bank overdrafts and loans	368	254
Interest on finance leases and hire purchase contracts	34	40
Other interest	2	1
	=====	=====
	404	295

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	982	2,151
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	105	42
	<u> </u>	<u> </u>
Total tax charge	1,087	2,193
	<u> </u>	<u> </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:

	2022	2021
	£'000	£'000
Profit before taxation	6,780	12,655
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,288	2,404
Tax effect of expenses that are not deductible in determining taxable profit	58	5
Change in unrecognised deferred tax assets	105	42
Group relief	(60)	-
Permanent capital allowances in excess of depreciation	(287)	(273)
Depreciation on assets not qualifying for tax allowances	180	200
Dividend income	(161)	(161)
Other timing differences	(5)	-
(Profit)/loss on disposal of assets	(31)	(24)
	<u> </u>	<u> </u>
Taxation charge for the year	1,087	2,193
	<u> </u>	<u> </u>

9 Dividends

	2022	2021
	£'000	£'000
Ordinary dividends paid up to parent company	2,955	4,230
	<u> </u>	<u> </u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Tangible fixed assets

	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2022	214	395	5,039	4,252	9,900
Additions	-	73	116	847	1,036
Disposals	-	(4)	-	(864)	(868)
At 31 December 2022	214	464	5,155	4,235	10,068
Depreciation and impairment					
At 1 January 2022	212	265	4,186	2,745	7,408
Depreciation charged in the year	2	77	223	645	947
Eliminated in respect of disposals	-	(3)	-	(753)	(756)
At 31 December 2022	214	339	4,409	2,637	7,599
Carrying amount					
At 31 December 2022	-	125	746	1,598	2,469
At 31 December 2021	2	130	853	1,507	2,492

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

	2022 £'000	2021 £'000
Fixtures, fittings & equipment	-	414
Motor vehicles	1,121	980
	1,121	1,394

11 Fixed asset investments

	Notes	2022 £'000	2021 £'000
Investments in subsidiaries	12	598	598

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Finnie & Company Limited	Scotland	Ordinary	100.00

13 Stocks

	2022 £'000	2021 £'000
Finished goods and goods for resale	19,244	22,456

Stock recognised in cost of sales during the year as an expense was £97,824,000 (2021: £114,121,000).

14 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	13,277	14,880
Amounts due from parent and fellow subsidiary undertakings	3,292	4,756
Other debtors	11	107
Prepayments and accrued income	393	362
	<u>16,973</u>	<u>20,105</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 18)	-	80
	<u>16,973</u>	<u>20,185</u>

15 Creditors: amounts falling due within one year

	Notes	2022 £'000	2021 £'000
Obligations under finance leases	17	610	663
Trade creditors		3,680	5,032
Amounts owed to group undertakings		151	883
Corporation tax		927	2,109
Other taxation and social security		5,400	5,326
Other creditors		131	122
Accruals and deferred income		1,838	2,248
		<u>12,737</u>	<u>16,383</u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due after more than one year

	Notes	2022 £'000	2021 £'000
Obligations under finance leases	17	296	215
		<u> </u>	<u> </u>

17 Finance lease obligations

	2022 £'000	2021 £'000
Future minimum lease payments due under finance leases:		
Within one year	649	684
In two to five years	303	218
	<u> </u>	<u> </u>
	952	902
Less: future finance charges	(46)	(24)
	<u> </u>	<u> </u>
	906	878
	<u> </u>	<u> </u>

Finance lease payments represent rentals payable by the company 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 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Deferred taxation

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

	Liabilities 2022 £'000	Liabilities 2021 £'000	Assets 2022 £'000	Assets 2021 £'000
Balances:				
Accelerated capital allowances	54	-	-	62
Retirement benefit obligations	-	-	-	18
Other timing differences	(29)	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	25	-	-	80
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Movements in the year:				2022 £'000
Asset at 1 January 2022				(80)
Charge to profit or loss				105
				<u> </u>
Liability at 31 December 2022				25
				<u> </u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Retirement benefit schemes

	2022	2021
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	901	774
	<u> </u>	<u> </u>

The company together with other group companies participates in the Toolbank Retirement Benefit Scheme. Full details of this are disclosed in the notes to the accounts of the parent company.

20 Share capital

	2022	2021
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
17,303 Ordinary shares of £1 each	17	17
	<u> </u>	<u> </u>

21 Profit and loss reserves

	2022	2021
	£'000	£'000
At the beginning of the year	69,257	63,025
Profit for the year	5,693	10,462
Dividends declared and paid in the year	(2,955)	(4,230)
	<u> </u>	<u> </u>
At the end of the year	71,995	69,257
	<u> </u>	<u> </u>

22 Operating lease commitments

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

	2022	2021
	£'000	£'000
Within one year	140	60
Between two and five years	1,179	393
	<u> </u>	<u> </u>
	1,319	453
	<u> </u>	<u> </u>

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£'000	£'000
Acquisition of tangible fixed assets	114	40
	<u> </u>	<u> </u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Related party transactions

Remuneration of key management personnel

The company has taken the exemption in section 33.1A of FRS102 not to disclose inter group transactions.

25 Ultimate controlling party

Curtis Holt Limited's ultimate parent company is Dormole Limited (Registered office: Long Reach, Galleon Boulevard, Crossways Business Park, Dartford, Kent, DA2 6QE), a company incorporated in England.

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.