

Registered number: 00529964

CURTIS HOLT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



CURTIS HOLT LIMITED

COMPANY INFORMATION

Directors	T J Strong W S Flory
Company secretary	N Hussain
Registered number	00529964
Registered office	Long Reach Galleon Boulevard Crossways Business Park Dartford Kent DA2 6QE
Independent auditor	Clarkson Hyde LLP Chartered Accountants & Statutory Auditor 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 2023

I present the financial statements for the year ended 31 December 2023 and the board's Strategic Report.

Business review

The business remains focused 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 increased from £137m to £143m (up 4%) coming off the back of an exceptional year in 2022, 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 £6.3m to £5.7m (up 10%).

Key performance indicators

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

	2023	2022	Movement
	£000	£000	%
Turnover	143,170	137,382	4
Overheads % sales	20.4%	20.7%	
Operating profit	5,729	6,334	-10

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.

CURTIS HOLT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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.

CURTIS HOLT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 focusing 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.

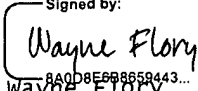
The group has also developed a greater understanding of its impact on the environment and how this could be mitigated with several decarbonisation actions being pursued with a view to reducing operational carbon emissions, and ultimately benefiting communities.

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 2023.

This report was approved by the board and signed on its behalf.

Signed by:

Wayne Flory
Director

Date: 10/07/2024

CURTIS HOLT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £4,903,000 (2022: £5,693,000).

An ordinary dividend was paid up to the parent company amounting to £850,000 (2022: £2,955,000).

Directors

The directors who served during the year were:

A J T Strong (resigned 1 May 2024)
T J Strong

W S Flory was appointed as director after the year ended on 1 May 2024.

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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.

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.

CURTIS HOLT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

Energy and carbon report

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

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

During 2024 the company has commenced a project to replace its finance and warehouse management IT systems with a modern integrated ERP system.

Future developments

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

Directors' and officers' indemnity insurance

Qualifying third party indemnity insurance was in place, for the benefit of the directors, during the year and at the date of this report.

Disclosure of information to auditor

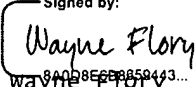
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The company wishes to thank Clarkson Hyde LLP for their many years' service to the company. In accordance with the company's articles, and section 485 of the Companies Act 2006, a resolution proposing that Grant Thornton LLP be appointed as auditor of the company will be put at a General Meeting.

This report was approved by the board and signed on its behalf.

Signed by:

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Director

Date: 10/07/2024

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURTIS HOLT LIMITED

Opinion

We have audited the financial statements of Curtis Holt Limited (the 'company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURTIS HOLT LIMITED (CONTINUED)

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.

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.

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURTIS HOLT LIMITED (CONTINUED)

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 focused 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.

DocuSigned by:



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Graham Speck

Senior Statutory Auditor

For and on behalf of Clarkson Hyde LLP

Chartered Accountants

Statutory Auditor

3rd Floor

Chancery House

St Nicholas Way

Sutton

Surrey

SM1 1JB

Date: 11/07/2024

CURTIS HOLT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
Turnover	4	143,170	137,382
Cost of sales		(108,433)	(102,652)
Gross profit		34,737	34,730
Distribution costs		(8,061)	(7,878)
Administrative expenses		(21,111)	(20,653)
Other operating income	5	164	135
Operating profit	6	5,729	6,334
Interest receivable and similar income	9	850	850
Interest payable and similar expenses	10	(439)	(404)
Profit before tax		6,140	6,780
Tax on profit	11	(1,237)	(1,087)
Profit for the financial year		4,903	5,693

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

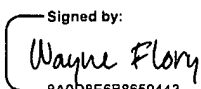
The notes on pages 12 to 28 form part of these financial statements.

CURTIS HOLT LIMITED
REGISTERED NUMBER:00529964

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	2,397	2,469
Investments	14	598	598
		<u>2,995</u>	<u>3,067</u>
Current assets			
Stocks	15	17,785	19,244
Debtors	16	24,227	16,973
Cash at bank and in hand	17	52,122	45,786
		<u>94,134</u>	<u>82,003</u>
Creditors: amounts falling due within one year	18	(20,697)	(12,737)
Net current assets		<u>73,437</u>	<u>69,266</u>
Total assets less current liabilities		<u>76,432</u>	<u>72,333</u>
Creditors: amounts falling due after more than one year	19	(195)	(296)
Provisions for liabilities			
Deferred tax liability	21	(172)	(25)
		<u>(172)</u>	<u>(25)</u>
Net assets		<u>76,065</u>	<u>72,012</u>
Capital and reserves			
Called up share capital	22	17	17
Profit and loss account	23	76,048	71,995
Total equity		<u>76,065</u>	<u>72,012</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10/07/2024

Signed by:

 WAYNE FLORY
 Director

The notes on pages 12 to 28 form part of these financial statements.

CURTIS HOLT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital £000	Profit and loss reserves £000	Total £000
At 1 January 2022	17	69,257	69,274
Profit and total comprehensive income for the year	-	5,693	5,693
Dividends (Note 12)	-	(2,955)	(2,955)
At 1 January 2023	17	71,995	72,012
Profit and total comprehensive income for the year	-	4,903	4,903
Dividends (Note 12)	-	(850)	(850)
At 31 December 2023	17	76,048	76,065

The notes on pages 12 to 28 form part of these financial statements.

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Company information

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

2. Accounting policies

2.1 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.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Dormole Limited as at 31 December 2023 and these financial statements may be obtained from Long Reach, Galleon Boulevard, Crossways Business Park, Dartford, Kent, DA2 6QE.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.4 Going concern

The company is funded by cash flows generated from trading, intercompany facilities, and wider group facilities. As a result the company cash flow and headroom has been considered as part of the overall review of the group facilities.

After reviewing the group's forecasts and projections, which cover the 12-month period from the date of signing the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. These forecasts and projections have considered a downside scenario in sales levels; however, management have also identified mitigating actions that could be taken to ensure that the group has sufficient funds to meet liabilities as they fall due over the next 12 months. At the Balance Sheet date, the group had £2.2m in outstanding bank loans. Management are confident any covenant will be met throughout the outlook period. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.5 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.

2.6 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:

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.

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.12 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables due within the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.13 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.

2.14 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 Statement of Comprehensive Income 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.

2.15 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.

2.16 Retirement benefits

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

2.17 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.

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.18 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.

2.19 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Debtors

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

2.21 Creditors

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

2.22 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. 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.

4. Turnover and other revenue

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

	2023	2022
	£000	£000
Turnover analysed by class of business		
Sales of tools	143,170	137,382
	2023	2022
	£000	£000
Turnover analysed by geographical market		
United Kingdom	140,210	137,382
Rest of Europe	2,913	-
Rest of the world	47	-
	143,170	137,382

5. Other operating income

	2023	2022
	£000	£000
Other operating income	164	135

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Operating profit

Operating profit for the year is stated after charging/(crediting):

	2023	2022
	£000	£000
Depreciation of owned tangible fixed assets	564	641
Depreciation of tangible fixed assets held under finance leases	491	306
Profit on disposal of tangible fixed assets	(273)	(164)
	=====	=====

7. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor and its associates:

	2023	2022
	£000	£000
Fees payable to the company's auditors for the audit of the company's financial statements	100	95
	=====	=====

8. Employees

Staff costs were as follows:

	2023	2022
	£000	£000
Wages and salaries	15,190	15,696
Pension costs	926	901
	=====	=====
	16,116	16,597
	=====	=====

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

	2023	2022
	No.	No.
Distribution and service	282	311
Administrative and management	189	203
	=====	=====
	471	514
	=====	=====

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. Interest receivable and similar income

	2023	2022
	£000	£000
Income from fixed asset investments		
Interest receivable from group companies	850	850

10. Interest payable and similar expenses

	2023	2022
	£000	£000
Interest on bank overdrafts and loans	377	368
Interest on finance leases and hire purchase contracts	60	34
Other interest	2	2
	439	404

11. Taxation

	2023	2022
	£000	£000
Current tax		
UK corporation tax on profits for the current period	1,033	982
Adjustments in respect of previous periods	57	-
Total current tax	1,090	982
Deferred tax		
Origination and reversal of timing differences	147	105
Total tax charge	1,237	1,087

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022: *lower than*) the standard rate of corporation tax in the UK of 23.52% (2022: 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	6,140	6,780
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022: 19%)	1,444	1,288
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	16	58
Change in unrecognised deferred tax assets	9	105
Group relief claimed	(120)	(60)
Permanent capital allowances in excess of depreciation	-	(287)
Fixed asset differences	31	-
Exempt ABGH distributions	(200)	-
Adjustments to tax charge in respect of prior periods	57	-
Depreciation on assets not qualifying for tax allowances	-	180
Dividend income	-	(161)
Other timing differences	-	(5)
(Profit)/loss on disposal of assets	-	(31)
Taxation charge for the year	1,237	1,087

Factors that may affect future tax charges

The Finance Act 2021 was substantively enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023 on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. When the company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in corporation tax rate. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

12. Dividends

	2023 £000	2022 £000
Ordinary dividends paid up to parent company	850	2,955

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Tangible fixed assets

	Land and buildings Leasehold £000	Computer equipment £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2023	214	464	5,155	4,235	10,068
Additions	-	54	374	708	1,136
Disposals	(1)	(127)	(222)	(1,285)	(1,635)
At 31 December 2023	213	391	5,307	3,658	9,569
Depreciation and impairment					
At 1 January 2023	214	339	4,409	2,637	7,599
Charge for the year on owned assets	-	85	233	737	1,055
Disposals	(1)	(126)	(222)	(1,133)	(1,482)
At 31 December 2023	213	298	4,420	2,241	7,172
Carrying amount					
At 31 December 2023	-	93	887	1,417	2,397
At 31 December 2022	-	125	746	1,598	2,469

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

	2023 £000	2022 £000
Motor vehicles	1,050	1,121

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2023	598
At 31 December 2023	<u>598</u>
Net book value	
At 31 December 2023	<u>598</u>
At 31 December 2022	<u>598</u>

Subsidiaries

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

Name	Registered office	Class of shares	Holding
Finnie & Co., Limited	25 Cameron Street, Hillington Park, Glasgow, G52 4JH	Ordinary	100%

15. Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	<u>17,785</u>	<u>19,244</u>

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Debtors

	2023	2022
	£000	£000
Trade debtors	17,059	13,277
Amounts due from parent and fellow subsidiary undertakings	6,662	3,292
Other debtors	-	11
Prepayments and accrued income	506	393
	24,227	16,973

Amounts owed by group undertakings are interest free and repayable on demand.

17. Cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	52,122	45,786

18. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Obligations under finance leases (Note 20)	655	610
Trade creditors	8,280	3,680
Amounts owed to group undertakings	3,434	151
Corporation tax	1,035	927
Other taxation and social security	5,185	5,400
Other creditors	-	131
Accruals and deferred income	2,108	1,838
	20,697	12,737

Amounts owed to group undertakings are interest free and payable on demand.

19. Creditors: Amounts falling due after more than one year

	2023	2022
	£000	£000
Obligations under finance leases (Note 20)	195	296

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. Finance lease obligations

Future minimum lease payments due under finance leases:

	2023	2022
	£000	£000
Within one year	685	649
In two to five years	214	303
	<u>899</u>	<u>952</u>
Less: future finance charges	(49)	(46)
	<u>850</u>	<u>906</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.

21. Deferred taxation

	2023	2022
	£000	£000
At beginning of year	(25)	80
Charge to profit or loss	(147)	(105)
At end of year	<u>(172)</u>	<u>(25)</u>

The provision for deferred taxation is made up as follows:

	2023	2022
	£000	£000
Accelerated capital allowances	(237)	(54)
Short term timing differences	65	-
Other timing differences	-	29
	<u>(172)</u>	<u>(25)</u>

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Share capital

	2023	2022
	£000	£000
Allotted, called up and fully paid		
17,303 (2022: 17,303) Ordinary shares of £1 each	17	17

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

23. Reserves

Profit and loss account

Includes all current & prior periods retained profits & losses.

24. Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£000	£000
Acquisition of tangible fixed assets	105	114

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £926k (2022: £901k). Contributions totalling £561k (2022: £115k) were payable to the fund at the Balance Sheet date and are included in creditors.

26. 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:

	2023	2022
	£000	£000
Within one year	4	140
Between two and five years	1,293	1,179
	1,297	1,319

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

27. Related party transactions

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

28. Post balance sheet events

During 2024 the company has commenced a project to replace its finance and warehouse management IT systems with a modern integrated ERP system.

29. 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.