REGISTERED NUMBER: 02037421 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

FOR

ARCHWOOD LIMITED

D.R.E. & Co. (Audit) Limited
7 Lower Brook Street
Oswestry
Shropshire
SY11 2HG

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	10
Other Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14

ARCHWOOD LIMITED

COMPANY INFORMATION
FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

DIRECTORS:	Mr R H Burbidge Mr J Burbidge Mr A G Miles Mr M Moir Mrs S A Peach
SECRETARY:	Mr R Lincoln
REGISTERED OFFICE:	Burbidge House Canal Wood Industrial Est Chirk Wrexham LL14 5RL
REGISTERED NUMBER:	02037421 (England and Wales)
INDEPENDENT AUDITORS:	D.R.E. & Co. (Audit) Limited 7 Lower Brook Street Oswestry Shropshire SY11 2HG

STRATEGIC REPORT
FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

The directors present their strategic report for the period 3 October 2021 to 1 October 2022.

REVIEW OF BUSINESS

The reported turnover for the year was £25,038,000 down 6.6% from 2021 £26,796,000.

Gross profit margins have decreased from 27.2% in 2021 to 24.3% for 2022.

Performance of the business

	2022 £	2021 £
Turnover	25,039	26,796
Turnover growth	(6.6%)	16.4%
Gross Profit margin	24.3%	27.2%
Operating Profit margin	1.1%	3.5%
Profit/(Loss) before tax	405	859

Archwood Limited prides itself on five fundamental values: Reputation, Responsibility, Stability, Transformation and Evolution.

A focused and trusted supplier to our customers, committed to quality and innovation.

Archwood Limited is currently investing in new technologies which will revolutionise its internal processing and improve customer interaction and experience.

We have been working closely with our employees to build a high performing culture, in recognition of this being awarded gold standard IIP accreditation in 'We Invest in Wellbeing'.

Ethically and environmentally conscious, we want our business to be environmentally friendly and sustainable. To show our commitment, Archwood Limited has joined the United Nations Race to Zero campaign, confirmed our baseline current carbon footprint, using electric FLT vehicles and installed solar panels to our factory units in Chirk.

Over the next few years we will focus on:
1. Increasing energy resilience
2. Reduction of plastics from all product and transit packaging
3. Increasing site recycling and embed sustainable culture
4. Increase the amount of certified timber purchased and used in our products

PRINCIPAL RISKS AND UNCERTAINTIES

The company uses financial instruments, these include cash, finance leases and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described below.

Liquidity Risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

Interest rate risk

The company finance its operations through a mixture of retained profits, invoice discounting facilities and finance leases.

Credit risk

The company's principle financial assets are cash and trade debtors. The credit risk associated with cash is limited. The principle credit risk arises therefore from its trade debtors. In order to manage credit risk, credit limits are set and reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Currency risk

The company has a number of overseas suppliers. As a result the company reviews its currency exposure on a continual basis and will enter into hedges if considered necessary.

ON BEHALF OF THE BOARD:

Mr J Burbidge - Director

21 December 2022

REPORT OF THE DIRECTORS
FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

The directors present their report with the financial statements of the company for the period 3 October 2021 to 1 October 2022.

PRINCIPAL ACTIVITY
The principal activity of the company in the period under review was that of designing, manufacturing and supplying of timber products.

DIVIDENDS
Interim dividends per share were paid as follows:

Ordinary £1 shares	8.42	- 6 April 2022
Preference £1 shares	0.05	- 6 April 2022

The directors recommend that no final dividends be paid.

The total distribution of dividends for the period ended 1 October 2022 will be £ 465,883 .

DIRECTORS
The directors shown below have held office during the whole of the period from 3 October 2021 to the date of this report.

Mr R H Burbidge
Mr J Burbidge
Mr A G Miles
Mr M Moir
Mrs S A Peach

REDUCTION OF SHARE PREMIUM
During the year the directors issued a special resolution and reduced the companies Share premium account from £2,329,000 to £nil by the payment out of the sum of £2,329,000 into the profit and loss reserves of the company.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, D.R.E. & Co. (Audit) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr J Burbidge - Director

21 December 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARCHWOOD LIMITED

Opinion

We have audited the financial statements of Archwood Limited (the 'company') for the period ended 1 October 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, 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 1 October 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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

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

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 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.

Auditors' responsibilities for the audit of the financial statements

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

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

-the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

-we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the client's operating sector;

-we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation;

-we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and

-identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

-making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and

-reviewing the client's system notes and internal controls.

To address the risk of fraud through management bias and override of controls, we:

-performed analytical procedures to identify any unusual or unexpected relationships;

-tested journal entries to identify unusual transactions;

-assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias;

-investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

-agreeing financial statement disclosures to underlying supporting documentation;

-enquiring of management as to actual and potential litigation and claims

- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Aled Davies FCCA (Senior Statutory Auditor)
for and on behalf of D.R.E. & Co. (Audit) Limited
7 Lower Brook Street
Oswestry
Shropshire
SY11 2HG

21 December 2022

ARCHWOOD LIMITED (REGISTERED NUMBER: 02037421)

INCOME STATEMENT
FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

	Notes	**Period 3.10.21 to 1.10.22 £'000**	Period 27.9.20 to 2.10.21 £'000
TURNOVER	4	**25,039**	26,796
Cost of sales		**(18,945)**	(19,517)
GROSS PROFIT		**6,094**	7,279
Administrative expenses		**(5,826)**	(6,418)
		268	861
Other operating income	5	**-**	77
OPERATING PROFIT	7	**268**	938
Interest payable and similar expenses	9	**137**	(79)
PROFIT BEFORE TAXATION		**405**	859
Tax on profit	10	**423**	579
PROFIT FOR THE FINANCIAL PERIOD		**828**	1,438

The notes form part of these financial statements

ARCHWOOD LIMITED (REGISTERED NUMBER: 02037421)

OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

	Notes	**Period 3.10.21 to 1.10.22 £'000**	Period 27.9.20 to 2.10.21 £'000
PROFIT FOR THE PERIOD		**828**	1,438
OTHER COMPREHENSIVE INCOME			
Actuarial (losses)/gains on defined benefit pension scheme		**3,421**	750
Reduction in capital		**2,329**	-
Income tax relating to components of other comprehensive income		**(900)**	(143)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		**4,850**	607
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5,678**	2,045

The notes form part of these financial statements

BALANCE SHEET
1 OCTOBER 2022

	Notes	1.10.22 £'000	£'000	2.10.21 £'000	£'000
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		2,076		1,915
			2,076		1,915
CURRENT ASSETS					
Stocks	14	6,215		6,421	
Debtors	15	5,143		6,853	
Cash at bank	16	163		199	
		11,521		13,473	
CREDITORS					
Amounts falling due within one year	17	6,877		7,765	
NET CURRENT ASSETS			4,644		5,708
TOTAL ASSETS LESS CURRENT LIABILITIES			6,720		7,623
CREDITORS					
Amounts falling due after more than one year	18		(383)		-
PENSION LIABILITY			(75)		(4,244)
NET ASSETS			6,262		3,379
CAPITAL AND RESERVES					
Called up share capital	23		3,038		3,038
Share premium	24		-		2,329
Retained earnings	24		3,224		(1,988)
SHAREHOLDERS' FUNDS			6,262		3,379

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2022 and were signed on its behalf by:

Mr J Burbidge - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 3 OCTOBER 2021 TO 1 OCTOBER 2022

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 27 September 2020	2,288	(4,033)	2,329	584
Changes in equity				
Issue of share capital	750	-	-	750
Total comprehensive income	-	2,045	-	2,045
Balance at 2 October 2021	3,038	(1,988)	2,329	3,379
Changes in equity				
Reduction in capital	-	-	(2,329)	(2,329)
Dividends	-	(466)	-	(466)
Total comprehensive income	-	5,678	-	5,678
Balance at 1 October 2022	3,038	3,224	-	6,262

The notes form part of these financial statements

1. STATUTORY INFORMATION

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

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

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

The presentation currency is sterling (£) rounded to the nearest thousand.

The financial statements are for the individual entity only.

The accounting reference date is 30 September. The accounts for the financial year 2022 represent a 52 week period to 1st October 2022, and the prior year represent the 53 week period to 2nd October 2021. Comparative figures are therefore not entirely comparable.

Going concern
The financial statements have been prepared on a going concern basis as the directors are of the opinion that the Company will be able to pay its liabilities ans and when they fall due.

The directors have reached this conclusion after assessing the Company's future cash and funding requirements along with budgets and medium term plans.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

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

Significant judgements and estimates
Preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results in the future could differ from the estimates. In this regard, the directors believe that the critical accounting policy were judgements or estimates are necessarily applied are;

- Stock provision which is calculated based on the usage of individual stock items over the last 12 months.
- Valuation of defined benefit scheme which has been determined by a third party valuer based on key assumptions.

continued...

3. ACCOUNTING POLICIES - continued

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

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:
- the company has transfers the significant risks an rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be reliably measured;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Goodwill
Goodwill represents the excess of the fair value of the consideration given over the fair values of the identifiable net assets required. It has been capitalised and amortised on a straight line basis over its estimated useful life.

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

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

Depreciation is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives, using the following methods:

- Plant and machinery - 2 to 14 years on a straight line basis

the asset's residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is a indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Stocks
Stocks are stated at the lower of costs and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying value is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss.

continued...

3. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

continued...

3. ACCOUNTING POLICIES - continued

Research and development
In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Foreign currencies
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 30 September 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

continued...

3. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:
a) the increase in net pension benefit liability arising from employee service during the period; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

Defined benefit pension plan

Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Balance sheet. A net surplus is recognised only to the extent that it is recoverable.

The current service costs and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

continued...

3. ACCOUNTING POLICIES - continued

Cash and cash equivalents
Cash is represented by cash in hand and deposits within financial institutions, repayable without penalty on notice of not more than 24 hours. cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk or change in value.

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.

Creditors

Short term creditors and 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.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive
obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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.

Interest income

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

continued...

4. TURNOVER

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

An analysis of turnover by geographical market is given below:

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
United Kingdom	**24,776**	26,250
Europe	**263**	413
Rest of World	**-**	133
	25,039	26,796

5. OTHER OPERATING INCOME

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
Sundry receipts	**-**	77

6. EMPLOYEES AND DIRECTORS

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
Wages and salaries	**3,426**	3,650
Social security costs	**318**	340
Other pension costs	**243**	229
	3,987	4,219

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

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
Production staff	**71**	62
Administrative staff	**45**	62
	116	124

During the period retirement benefits were accruing to 1 director (2021: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £163,315 (2021: £135,434).

Amounts paid to key management personnel during the year were £873,742 (2021: £724,031).

continued...

7. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
Other operating leases	**221**	208
Depreciation - owned assets	**451**	456
Profit on disposal of fixed assets	**(6)**	(34)
Auditors' remuneration	**27**	51
Auditors' remuneration for non audit work	**11**	14
Foreign exchange differences	**56**	32

8. EXCEPTIONAL ITEMS

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
Exceptional items	**(84)**	(44)

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
Interest on pension scheme liabilities	**78**	79
Settlement (gain)/losses pension	**(215)**	-
	(137)	79

10. TAXATION

Analysis of the tax credit

The tax credit on the profit for the period was as follows:

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
Current tax:		
UK corporation tax	**(25)**	(75)
Over/under provision from previous years	**-**	(352)
Total current tax	**(25)**	(427)
Deferred tax	**(398)**	(152)
Tax on profit	**(423)**	(579)

continued...

10. **TAXATION - continued**

Reconciliation of total tax credit included in profit and loss

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

	Period 3.10.21 to 1.10.22	Period 27.9.20 to 2.10.21
	£'000	£'000
Profit before tax	**405**	859
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	**77**	163
Effects of:		
Expenses not deductible for tax purposes	**2**	50
Income not taxable for tax purposes	**(169)**	(159)
Capital allowances in excess of depreciation	**(78)**	-
Depreciation in excess of capital allowances	**-**	6
Utilisation of tax losses	**168**	(61)
Adjustments to tax charge in respect of previous periods	**-**	(351)
Deferred tax	**(398)**	(152)
Research and development claim	**(25)**	(75)
Total tax credit	**(423)**	(579)

Tax effects relating to effects of other comprehensive income

	3.10.21 to 1.10.22		
	Gross	**Tax**	**Net**
	£'000	**£'000**	**£'000**
Actuarial (losses)/gains on defined benefit pension scheme	**3,421**	**(900)**	**2,521**
Reduction in capital	**2,329**	**-**	**2,329**
	5,750	**(900)**	**4,850**

	27.9.20 to 2.10.21		
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial (losses)/gains on defined benefit pension scheme	750	(143)	607
	750	(143)	607

The company has taxable losses of £13,540,685 (2021: £12,658,866) to be utilised against future profits.

continued...

11. DIVIDENDS

	Period 3.10.21 to 1.10.22 £'000	Period 27.9.20 to 2.10.21 £'000
Ordinary shares of £1 each		
Interim	150	-
Preference shares of £1 each		
Interim	316	-
	466	-

12. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
At 3 October 2021 and 1 October 2022	1,389
AMORTISATION	
At 3 October 2021 and 1 October 2022	1,389
NET BOOK VALUE	
At 1 October 2022	-
At 2 October 2021	-

13. TANGIBLE FIXED ASSETS

	Plant and machinery £'000
COST	
At 3 October 2021	20,812
Additions	664
Disposals	(73)
At 1 October 2022	21,403
DEPRECIATION	
At 3 October 2021	18,897
Charge for period	451
Eliminated on disposal	(21)
At 1 October 2022	19,327
NET BOOK VALUE	
At 1 October 2022	2,076
At 2 October 2021	1,915

continued...

14. STOCKS

	1.10.22	2.10.21
	£'000	£'000
Raw materials	1,113	775
Finished goods	5,102	5,646
	6,215	6,421

An impairment provision of £301,000 (2021: £436,000) was recognised against stock during the year due to slow-moving and obsolete stock.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1.10.22	2.10.21
	£'000	£'000
Trade debtors	4,120	4,967
Other debtors	479	379
Amounts owed by group undertaking	-	184
Tax	150	427
Deferred tax asset	394	896
	5,143	6,853

16. CASH AT BANK

	1.10.22	2.10.21
	£'000	£'000
Bank account no. 1	163	199

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1.10.22	2.10.21
	£'000	£'000
Bank loans and overdrafts (see note 19)	2,761	2,208
Other loans (see note 19)	117	49
Trade creditors	980	2,413
Social security and other taxes	881	875
Other creditors	163	337
Amounts owed to group undertakings	436	673
Accruals and deferred income	1,539	1,210
	6,877	7,765

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

	1.10.22	2.10.21
	£'000	£'000
Other loans (see note 19)	383	-

continued...

19. LOANS

An analysis of the maturity of loans is given below:

	1.10.22	2.10.21
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank overdrafts	2,761	2,208
Other loans	117	49
	2,878	2,257
Amounts falling due between one and two years:		
Other loans - 1-2 years	383	-

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	1.10.22	2.10.21
	£'000	£'000
Within one year	390	398
Between one and five years	503	881
In more than five years	-	12
	893	1,291

21. SECURED DEBTS

The following secured debts are included within creditors:

	1.10.22	2.10.21
	£'000	£'000
Bank overdrafts	2,761	2,208

The invoice discounting facility is secured on the debtors to which it relates.

Natwest plc hold a fixed charge containing a negative pledge over a deposit held by Archwood Limited.

22. DEFERRED TAX

	£'000
Balance at 3 October 2021	(896)
Provided during period	502
Balance at 1 October 2022	(394)

continued...

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**1.10.22 £'000**	2.10.21 £'000
37,500	Ordinary	£1	**38**	38
3,000,000	Preference	£1	**3,000**	3,000
			3,038	3,038

The Ordinary shares have full voting rights, are eligible for dividends and carry the right to participate in a distribution (including on winding up).

The Preference shares are convertible immediately prior to a liquidation, listing or sale and have a guaranteed dividend of 5% per annum.

24. RESERVES

	Retained earnings £'000	**Share premium £'000**	**Totals £'000**
At 3 October 2021	**(1,988)**	**2,329**	**341**
Profit for the period	**828**		**828**
Dividends	**(466)**		**(466)**
Actuarial gains/losses on pension scheme	**2,521**	**-**	**2,521**
Reduction in capital	**2,329**	**(2,329)**	**-**
At 1 October 2022	**3,224**	**-**	**3,224**

During the year the directors issued a special resolution and reduced the companies Share premium account from £2,329,000 to £nil by the payment out of the sum of £2,329,000 into the profit and loss reserves of the company.

25. CAPITAL COMMITMENTS

	1.10.22 £'000	2.10.21 £'000
Contracted but not provided for in the financial statements	**140**	84

continued...

26. PENSION COMMITMENT

The company operates two defined benefit pension scheme.

The Richard Burbidge Defined Benefit Scheme

The latest actuarial valuation of the scheme was at 5 April 2020 and updated to 30 September 2022, and was carried out by Western Pension Solutions Limited, an independent actuary. The actuarial value of the assets at that date was sufficient to cover 97% of the benefits which had accrued to members, after allowing for expected future increases to benefits. The market value of the assets of the scheme was £20,480,000 at 30 September 2022.

The Atkinson Marketing Defined Benefit Scheme

The latest actuarial valuation of the scheme was at 5 April 2020 and updated to 30 September 2022 and was carried out by Western Pension Solutions Limited, an independent actuary. The actuarial value of the assets at that date was sufficient to cover 129% of the benefits which had accrued to members, after allowing for expected future increases to benefits. The market value of the assets of the scheme was £2,304,000 at 30 September 2022.

Retirement benefits - FRS102 disclosures at 30 September 2022

The present value of the scheme liabilities has been determined using the projected unit method as required by FRS102. The schemes are closed to new entrants and to future benefit accrual.

The net position of the two schemes are as follows:

Richard Burbidge defined benefit scheme £587,000 liability
Atkinson Marketing defined benefit scheme £513,000 asset

Reconciliation of present value of plan liabilities:

	1.10.22 £	2.10.21 £
At the beginning of the year	41,833	42,708
Interest cost	831	667
Settlement (gain)/losses on scheme liabilities	(215)	-
Actuarial (gains)/losses on scheme liabilities	(17,130)	423
Benefits paid	(2,460)	(1,965)
At the end of the year	**22,859**	**41,833**
Reconciliation of present value of plan assets:		
At the beginning of the year	37,589	37,565
Interest income	753	588
actuarial gains/losses	(13,711)	1,173
Contributions	753	553
Benefits paid	(2,460)	(1,965)
Administration expenses	(140)	(325)
At the end of the year	**22,784**	**37,589**
Fair value of plan assets	(22,784)	(37,589)
Present value of plan liabilities	22,859	41,833
Net pension scheme liability	**75**	**4,244**

continued...

The amounts recognised in profit or loss are as follows:		
Service cost- administration expenses	140	325
Settlement (gain)/losses on scheme liabilities	(215)	-
Net interest cost	78	79
Total cost	**3**	**404**
The amounts recognised in other comprehensive income are as follows:		
Actuarial gains/(losses) on plan assets	(13,711)	1,173
Actuarial gains/(losses) on plan liabilities	17,131	(423)
	3,420	**750**
Composition of plan assets:		
Equities	11,566	19,567
Gilts, bonds and savings	10,743	17,896
Other funds	475	126
Total assets	**22,784**	**37,589**

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was losses of £8,504,000 (2021: losses of £11,925,000).

The company expects to contribute £450,000 of regular contributions to its defined pension schemes in 2023.The actual return on scheme assets for the year was a loss of £12,957,000 (2021: gain of £1,763,000).

	% pa	% pa
Discount rate	5.50	2.05
Future pension increases	3.00	2.80
CPI	3.00	2.80
RPI	3.50	3.60
Expected age at death		
- for a male aged 65 now	86.4	86.8
- at 65 for a male aged 45 now	87.3	87.8
- for a female aged 65 now	88.9	89.1
- at 65 for a female aged 45 now	90.0	90.3

27. ULTIMATE CONTROLLING PARTY

The immediate parent company is Ripat Limited via its holding of all ordinary shares of Archwood Limited, a company incorporated in England and Wales. The companies accounts are available from Companies House.

Richard Burbidge, a director of this company and Ripat Limited, and members of his close family control the group as a result of controlling directly or indirectly 100% of the issued share capital of Ripat Limited.

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.