

EUROPEAN STEEL SHEETS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Sephton & Company LLP
Chartered Certified Accountants
Statutory Auditors
Marston House
5 Elmdon Lane
Marston Green
Solihull
West Midlands
B37 7DL

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Company Information	1
Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	5
Income Statement	8
Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	15

EUROPEAN STEEL SHEETS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTOR:	D W Broadhurst
REGISTERED OFFICE:	Jean Broadhurst Works Doris Road Bordesley Green Birmingham West Midlands B9 4SJ
REGISTERED NUMBER:	06436498 (England and Wales)
AUDITORS:	Sephton & Company LLP Chartered Certified Accountants Statutory Auditors Marston House 5 Elmdon Lane Marston Green Solihull West Midlands B37 7DL

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The director presents his strategic report for the year ended 31 December 2022.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

There has been no change in the principal activities of the company during the period.

PRINCIPAL RISKS AND UNCERTAINTIES

As for many business of our size, the business environment in which we operate continues to be challenging. The market is highly competitive and margins continue to be under pressure, we are of course subject to world economic patterns and the level of activity within our economy.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

The company's principle financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits, trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

Investments of cash surpluses are made through banks and companies which must fulfil credit rating criteria approved by the board.

DEVELOPMENT AND PERFORMANCE

We consider that our key performance indicators are those that communicate performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed.

Turnover has increased by 7.2% compared to the previous period. Gross margin has decreased to 26.03% (2021 27.42%).

Overall there has been an operating profit of £2,417,048 (2021 £4,684,704) and a profit before tax of £10,166,760 (2021 £4,690,127). After taxation £8,043,857 (2021 £3,785,632) has been added to reserves.

Return on capital employed has decreased to 4.5% (2021 10.8%). Return on capital employed is calculated as profit before surplus arising on revaluation, exceptional items, interest and tax divided by capital employed, which constitutes total assets less current liabilities.

ON BEHALF OF THE BOARD:

D W Broadhurst - Director

30 August 2023

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2022**

The director presents his report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of steel stockholders.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

D W Broadhurst has held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

Miss S L Broadhurst - deceased 21 March 2022

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made during the year.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2022**

AUDITORS

The auditors, Sephton & Company LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D W Broadhurst - Director

30 August 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUROPEAN STEEL SHEETS LIMITED

Opinion

We have audited the financial statements of European Steel Sheets Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUROPEAN STEEL SHEETS LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EUROPEAN STEEL SHEETS LIMITED**

Use of our report

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

Steven Douglas Connell (Senior Statutory Auditor)
for and on behalf of Sephton & Company LLP
Chartered Certified Accountants
Statutory Auditors
Marston House
5 Elmdon Lane
Marston Green
Solihull
West Midlands
B37 7DL

30 August 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
TURNOVER	3		23,296,046		21,723,233
Cost of sales			<u>17,232,451</u>		<u>15,764,760</u>
GROSS PROFIT			6,063,595		5,958,473
Distribution costs		322,084		287,329	
Administrative expenses		<u>4,306,975</u>		<u>1,862,071</u>	
			4,629,059		2,149,400
			1,434,536		3,809,073
Other operating income			<u>982,512</u>		<u>875,631</u>
OPERATING PROFIT	5		2,417,048		4,684,704
Investment income		9,034		6,921	
Interest receivable and similar income		<u>33,840</u>		<u>1,274</u>	
			42,874		8,195
			2,459,922		4,692,899
Gain/loss on revaluation of investment property			<u>7,706,838</u>		<u>-</u>
			10,166,760		4,692,899
Interest payable and similar expenses	6		-		2,772
PROFIT BEFORE TAXATION			10,166,760		4,690,127
Tax on profit	7		<u>2,122,903</u>		<u>904,495</u>
PROFIT FOR THE FINANCIAL YEAR			<u>8,043,857</u>		<u>3,785,632</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		8,043,857	3,785,632
OTHER COMPREHENSIVE INCOME			
Revaluation of Land & Buildings		997,850	-
Income tax relating to other comprehensive income		(189,591)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>808,259</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>8,852,116</u>	<u>3,785,632</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		4,157,820		3,217,674
Investment property	10		<u>24,605,000</u>		<u>16,898,162</u>
			28,762,820		20,115,836
CURRENT ASSETS					
Stocks	11	6,061,546		5,680,050	
Debtors	12	5,682,703		7,184,941	
Investments	13	186,847		186,847	
Cash at bank and in hand		<u>15,338,647</u>		<u>11,123,729</u>	
		27,269,743		24,175,567	
CREDITORS					
Amounts falling due within one year	14	<u>2,121,038</u>		<u>1,060,835</u>	
NET CURRENT ASSETS			<u>25,148,705</u>		<u>23,114,732</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			53,911,525		43,230,568
PROVISIONS FOR LIABILITIES	18		<u>4,158,215</u>		<u>2,329,374</u>
NET ASSETS			<u>49,753,310</u>		<u>40,901,194</u>
CAPITAL AND RESERVES					
Called up share capital	19		68		68
Revaluation reserve	20		3,082,773		2,274,514
Capital redemption reserve	20		34		34
Retained earnings	20		<u>46,670,435</u>		<u>38,626,578</u>
SHAREHOLDERS' FUNDS			<u>49,753,310</u>		<u>40,901,194</u>

The financial statements were approved by the director and authorised for issue on 30 August 2023 and were signed by:

D W Broadhurst - Director

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

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2021	68	35,490,946	2,274,514	34	37,765,562
Changes in equity					
Dividends	-	(650,000)	-	-	(650,000)
Total comprehensive income	-	3,785,632	-	-	3,785,632
Balance at 31 December 2021	68	38,626,578	2,274,514	34	40,901,194
Changes in equity					
Total comprehensive income	-	8,043,857	808,259	-	8,852,116
Balance at 31 December 2022	68	46,670,435	3,082,773	34	49,753,310

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	4,663,206	2,891,179
Interest paid		-	(2,772)
Tax paid		(1,045,359)	(1,062,227)
Net cash from operating activities		<u>3,617,847</u>	<u>1,826,180</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(7,301)
Sale of tangible fixed assets		-	30,000
Sale of fixed asset investments		-	5,502
Interest received		33,840	1,274
Dividends received		9,034	6,921
Net cash from investing activities		<u>42,874</u>	<u>36,396</u>
Cash flows from financing activities			
Amount introduced by directors		897,899	-
Amount withdrawn by directors		(323,909)	(35,415)
Equity dividends paid		-	(650,000)
Net cash from financing activities		<u>573,990</u>	<u>(685,415)</u>
Increase in cash and cash equivalents		<u>4,234,711</u>	<u>1,177,161</u>
Cash and cash equivalents at beginning of year	2	11,070,086	9,892,925
Cash and cash equivalents at end of year	2	<u><u>15,304,797</u></u>	<u><u>11,070,086</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Profit before taxation	10,166,760	4,690,127
Depreciation charges	57,704	86,798
Loss on disposal of fixed assets	-	11,566
Gain on revaluation of fixed assets	(7,706,838)	-
Finance costs	-	2,772
Finance income	(42,874)	(8,195)
	<u>2,474,752</u>	<u>4,783,068</u>
Increase in stocks	(381,496)	(2,191,144)
Decrease in trade and other debtors	1,165,083	1,160,302
Increase/(decrease) in trade and other creditors	1,404,867	(861,047)
Cash generated from operations	<u><u>4,663,206</u></u>	<u><u>2,891,179</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2022

	31/12/22 £	1/1/22 £
Cash and cash equivalents	15,338,647	11,123,729
Bank overdrafts	(33,850)	(53,643)
	<u><u>15,304,797</u></u>	<u><u>11,070,086</u></u>

Year ended 31 December 2021

	31/12/21 £	1/1/21 £
Cash and cash equivalents	11,123,729	10,009,395
Bank overdrafts	(53,643)	(116,470)
	<u><u>11,070,086</u></u>	<u><u>9,892,925</u></u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank and in hand	11,123,729	4,214,918	15,338,647
Bank overdrafts	(53,643)	19,793	(33,850)
	<u>11,070,086</u>	<u>4,234,711</u>	<u>15,304,797</u>
Liquid resources			
Current asset investments	186,847	-	186,847
	<u>186,847</u>	<u>-</u>	<u>186,847</u>
Total	<u>11,256,933</u>	<u>4,234,711</u>	<u>15,491,644</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. **STATUTORY INFORMATION**

European Steel Sheets 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.

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

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Significant judgements and estimates

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.

Turnover

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

Rental income is recognised on a straight line basis over the course of the lease.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Tangible fixed assets

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

Land & buildings	- 1% on cost
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. 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 accounts receivable and payable, cash and bank balances, loans to or from related parties and current asset investments. All such instruments are measured initially and subsequently at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment is recognised in the profit and loss account.

Taxation

Taxation for the year 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 year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

3. TURNOVER

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

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Steel sales	23,296,046	21,723,233
	<u>23,296,046</u>	<u>21,723,233</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	23,296,046	21,723,233
	<u>23,296,046</u>	<u>21,723,233</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,136,055	1,101,470
Social security costs	424,056	130,934
Other pension costs	8,850	8,876
	<u>3,568,961</u>	<u>1,241,280</u>

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

	2022	2021
Directors	1	2
Direct Labour	2	2
Sales	3	3
Administration	3	2
	<u>9</u>	<u>9</u>

	2022	2021
	£	£
Directors' remuneration	2,531,687	624,794
Directors' pension contributions to money purchase schemes	<u>1,321</u>	<u>1,319</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	2,474,131	333,203
Pension contributions to money purchase schemes	<u>1,321</u>	<u>1,319</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Other operating leases	54,208	23,032
Depreciation - owned assets	57,704	86,799
Loss on disposal of fixed assets	-	11,566
Auditors' remuneration	<u>9,000</u>	<u>9,000</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Corporation tax interest	<u>-</u>	<u>2,772</u>

7. TAXATION**Analysis of the tax charge**

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	483,653	912,719
Deferred tax	<u>1,639,250</u>	<u>(8,224)</u>
Tax on profit	<u>2,122,903</u>	<u>904,495</u>

UK corporation tax has been charged at 19% .

Reconciliation of total tax charge included in profit and loss

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

	2022	2021
	£	£
Profit before tax	<u>10,166,760</u>	<u>4,690,127</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,931,684	891,124
Effects of:		
Expenses not deductible for tax purposes	3,343	14,686
Income not taxable for tax purposes	(1,715)	(1,315)
Other comprehensive income	<u>189,591</u>	<u>-</u>
Total tax charge	<u>2,122,903</u>	<u>904,495</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

7. TAXATION - continued**Tax effects relating to effects of other comprehensive income**

	Gross £	2022 Tax £	Net £
Revaluation of Land & Buildings	<u>997,850</u>	<u>(189,591)</u>	<u>808,259</u>

8. DIVIDENDS

	2022 £	2021 £
Interim	<u>-</u>	<u>650,000</u>

9. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2022	3,095,000	3,003,937	557,393	483,290	7,139,620
Revaluations	<u>905,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>905,000</u>
At 31 December 2022	<u>4,000,000</u>	<u>3,003,937</u>	<u>557,393</u>	<u>483,290</u>	<u>8,044,620</u>
DEPRECIATION					
At 1 January 2022	92,850	2,933,964	548,535	346,597	3,921,946
Charge for year	16,667	6,996	2,620	31,421	57,704
Revaluation adjustments	<u>(92,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,850)</u>
At 31 December 2022	<u>16,667</u>	<u>2,940,960</u>	<u>551,155</u>	<u>378,018</u>	<u>3,886,800</u>
NET BOOK VALUE					
At 31 December 2022	<u>3,983,333</u>	<u>62,977</u>	<u>6,238</u>	<u>105,272</u>	<u>4,157,820</u>
At 31 December 2021	<u>3,002,150</u>	<u>69,973</u>	<u>8,858</u>	<u>136,693</u>	<u>3,217,674</u>

Cost or valuation at 31 December 2022 is represented by:

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2014	1,965,830	-	-	-	1,965,830
Valuation in 2018	234,200	-	-	-	234,200
Valuation in 2022	905,000	-	-	-	905,000
Cost	<u>894,970</u>	<u>3,003,937</u>	<u>557,393</u>	<u>483,290</u>	<u>4,939,590</u>
	<u>4,000,000</u>	<u>3,003,937</u>	<u>557,393</u>	<u>483,290</u>	<u>8,044,620</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. TANGIBLE FIXED ASSETS - continued

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>894,970</u>	<u>894,970</u>
Aggregate depreciation	<u>449,786</u>	<u>440,837</u>
Value of land in freehold land and buildings	<u>94,970</u>	<u>94,970</u>

Freehold land and buildings were valued on an open market basis on 8 August 2022 by Stephens McBride Chartered Surveyors .

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2022	16,898,162
Revaluations	<u>7,706,838</u>
At 31 December 2022	<u>24,605,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>24,605,000</u>
At 31 December 2021	<u>16,898,162</u>

Fair value at 31 December 2022 is represented by:

	£
Valuation in 2022	7,706,838
Cost	<u>16,898,162</u>
	<u>24,605,000</u>

If investment property had not been revalued they would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>5,956,957</u>	<u>5,956,957</u>

Investment property was valued on an open market basis on 31 December 2018 by Stephens McBride Chartered Surveyors .

11. STOCKS

	2022 £	2021 £
Stocks	<u>6,061,546</u>	<u>5,680,050</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	4,426,032	5,833,601
Other debtors	78,463	138,673
Amounts owed by connected companies	500	-
S Broadhurst Estate	667,790	-
Directors' current accounts	-	838,921
Taxation	438,996	261,139
VAT	-	8,536
Prepayments and accrued income	70,922	104,071
	<u>5,682,703</u>	<u>7,184,941</u>

13. CURRENT ASSET INVESTMENTS

	2022	2021
	£	£
Listed investments	<u>186,847</u>	<u>186,847</u>
Market value of listed investments at 31 December 2022 - £ 169,363 (2021 - £ 233,592).		

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	33,850	53,643
Trade creditors	373,800	377,281
Credit card control account	245	5,474
Corporation tax	-	383,849
Social security and other taxes	1,360,484	66,403
VAT	139,276	-
Sundry creditors	44,436	44,436
Pension control account	257	604
Directors' current accounts	58,978	-
Accruals and deferred income	109,712	129,145
	<u>2,121,038</u>	<u>1,060,835</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>33,850</u>	<u>53,643</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

16. LEASING AGREEMENTS

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

	2022	2021
	£	£
Within one year	53,075	37,551
Between one and five years	56,904	54,740
	<u>109,979</u>	<u>92,291</u>

17. FINANCIAL INSTRUMENTS

As at the year end the carrying value of financial assets which are debt instruments carried at amortised cost was £5,140,557 (2021 £6,811,194).

As at the year end the carrying value of financial assets which are equity instruments carried at cost less impairment was £186,847 (2021 £186,847).

As at the year end the carrying value of financial liabilities which are debt instruments carried at amortised cost was £323,626 (2021 £422,319).

18. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>4,158,215</u>	<u>2,329,374</u>
		Deferred tax
		£
Balance at 1 January 2022		2,329,374
Charge to Income Statement during year		1,639,250
Revaluation reserve		<u>189,591</u>
Balance at 31 December 2022		<u>4,158,215</u>

The provision for deferred taxation consists of £2,290,933 in estimated tax due on unrealised property revaluations, and £38,441 in respect of timing differences due to accelerated capital allowance claims. The provision for the capital allowances is expected to reverse by approximately £9,000 in the next period.

19. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2022	2021
			£	£
68	Ordinary	£1	<u>68</u>	<u>68</u>

Ordinary shares have full voting, dividend and capital return rights including on a winding up and are not redeemable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

20. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2022	38,626,578	2,274,514	34	40,901,126
Profit for the year	8,043,857			8,043,857
Property revaluation	-	808,259	-	808,259
At 31 December 2022	<u>46,670,435</u>	<u>3,082,773</u>	<u>34</u>	<u>49,753,242</u>

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2022 and 31 December 2021:

	2022 £	2021 £
D W Broadhurst		
Balance outstanding at start of year	501,545	460,409
Amounts advanced	-	41,136
Amounts repaid	(501,545)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>501,545</u>
Miss S L Broadhurst		
Balance outstanding at start of year	343,881	343,097
Amounts advanced	323,909	784
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>667,790</u>	<u>343,881</u>

The amounts are repayable on demand and no interest is charged.

22. RELATED PARTY DISCLOSURES**Other related parties**

	2022 £	2021 £
Sales	308,831	338,448
Purchases	169,588	173,674
Rental charges	78,000	78,000
Amount due from related party	103,042	218,815
Amount due to related party	<u>11,559</u>	<u>72,177</u>

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.