

Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 December 2023
for
Langford Group Ltd

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for the Year Ended 31 December 2023

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Group Strategic Report
for the Year Ended 31 December 2023

The directors present their strategic report of the company and the group for the year ended 31 December 2023.

REVIEW OF BUSINESS

The directors are pleased to report a successful year for the group

The group has generated £14,892,879 (2022: £14,224,244) of turnover generating a profit before tax of £1,510,531 (2022: £1,722,239).

At the period end the group had shareholders funds of £3,779,406 (2022: £3,090,034) including distributable profits of £3,739,406 (2022: £3,050,034). The directors therefore believe the group's position to be satisfactory, especially as the group's current assets exceed its current liabilities by £2,823,602 (2022: £2,818,249).

The directors believe that there is a strong foundation to build the business further with sound strategic planning and investment opportunities.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the main risks facing the group are market conditions within the UK construction industry and geopolitical risks adversely affecting the UK economy and global supply chains.

The group aims to mitigate these risk by continuing to differentiate its proposition by delivering consistently high quality products and service levels, coupled with a strategy of continuous improvement and investment.

ON BEHALF OF THE BOARD:

Mr N Smerdon - Director

30 September 2024

Report of the Directors
for the Year Ended 31 December 2023

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

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2023 will be £438,260.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

Mr N Smerdon
Mr A Gibson
Mr R Gibson
Mr E Smerdon
Mr R J Smerdon

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group's auditors are unaware, and each director 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 group's auditors are aware of that information.

AUDITORS

Drummond Laurie CA are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Mr N Smerdon - Director

30 September 2024

Opinion

We have audited the financial statements of Langford Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 Group 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 Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group, we identified that the principal risks of non-compliance with laws and regulations related to fraudulent manipulation of the financial statements, including the risk of override of controls, to reduce profits and tax liabilities. We determined that the most likely method of manipulation would be the posting of inappropriate journal entries. Audit procedures performed by the audit engagement team consisted of a review of large and unusual journal entries, challenging assumptions and judgements made by management in significant accounting estimates, discussions with management related to known or suspected instances of non-compliance with laws and regulations, review of Board minutes where available, and an evaluation of management controls designed to prevent and detect irregularities.

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. Also, 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.

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
Langford Group Ltd

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.

Craig Clinton (Senior Statutory Auditor)
for and on behalf of Drummond Laurie CA
Statutory Auditor
Unit 5
Gateway Business Park
Beancross Road
Grangemouth
FK3 8WX

30 September 2024

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2023

	Notes	31.12.23 £	31.12.22 £
TURNOVER		14,892,879	14,224,244
Cost of sales		<u>(10,689,719)</u>	<u>(10,341,510)</u>
GROSS PROFIT		4,203,160	3,882,734
Administrative expenses		<u>(2,668,581)</u>	<u>(2,134,930)</u>
		1,534,579	1,747,804
Other operating income		<u>3,268</u>	<u>2,333</u>
OPERATING PROFIT	4	1,537,847	1,750,137
Interest receivable and similar income		<u>16,256</u>	<u>319</u>
		1,554,103	1,750,456
Interest payable and similar expenses	5	<u>(43,572)</u>	<u>(28,217)</u>
PROFIT BEFORE TAXATION		1,510,531	1,722,239
Tax on profit	6	<u>(382,899)</u>	<u>(320,773)</u>
PROFIT FOR THE FINANCIAL YEAR		1,127,632	1,401,466
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>1,127,632</u>	<u>1,401,466</u>
FOR THE YEAR		<u>1,127,632</u>	<u>1,401,466</u>
Profit attributable to:			
Owners of the parent		<u>1,127,632</u>	<u>1,401,466</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>1,127,632</u>	<u>1,401,466</u>

The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2023

	Notes	31.12.23 £	31.12.22 £
FIXED ASSETS			
Intangible assets	9	178,917	339,102
Tangible assets	10	1,634,180	369,499
Investments	11	-	-
		<u>1,813,097</u>	<u>708,601</u>
CURRENT ASSETS			
Stocks	12	2,302,743	2,406,654
Debtors	13	2,270,482	2,342,005
Cash at bank		<u>1,578,509</u>	<u>1,156,163</u>
		6,151,734	5,904,822
CREDITORS			
Amounts falling due within one year	14	<u>(3,328,132)</u>	<u>(3,086,573)</u>
NET CURRENT ASSETS		<u>2,823,602</u>	<u>2,818,249</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,636,699	3,526,850
CREDITORS			
Amounts falling due after more than one year	15	(694,648)	(347,760)
PROVISIONS FOR LIABILITIES	19	<u>(162,645)</u>	<u>(89,056)</u>
NET ASSETS		<u>3,779,406</u>	<u>3,090,034</u>
CAPITAL AND RESERVES			
Called up share capital	20	40,000	40,000
Retained earnings	21	<u>3,739,406</u>	<u>3,050,034</u>
SHAREHOLDERS' FUNDS		<u>3,779,406</u>	<u>3,090,034</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2024 and were signed on its behalf by:

Mr N Smerdon - Director

Company Balance Sheet
31 December 2023

	Notes	31.12.23 £	31.12.22 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments	11	<u>40,003</u>	<u>40,003</u>
		<u>40,003</u>	<u>40,003</u>
CREDITORS			
Amounts falling due within one year	14	<u>(3)</u>	<u>(3)</u>
NET CURRENT LIABILITIES		<u>(3)</u>	<u>(3)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,000</u>	<u>40,000</u>
CAPITAL AND RESERVES			
Called up share capital	20	<u>40,000</u>	<u>40,000</u>
SHAREHOLDERS' FUNDS		<u>40,000</u>	<u>40,000</u>
Company's profit for the financial year		<u>438,260</u>	<u>426,973</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2024 and were signed on its behalf by:

Mr N Smerdon - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2022	40,000	2,092,607	2,132,607
Changes in equity			
Dividends	-	(444,039)	(444,039)
Total comprehensive income	-	<u>1,401,466</u>	<u>1,401,466</u>
Balance at 31 December 2022	<u>40,000</u>	<u>3,050,034</u>	<u>3,090,034</u>
Changes in equity			
Dividends	-	(438,260)	(438,260)
Total comprehensive income	-	<u>1,127,632</u>	<u>1,127,632</u>
Balance at 31 December 2023	<u>40,000</u>	<u>3,739,406</u>	<u>3,779,406</u>

Company Statement of Changes in Equity
for the Year Ended 31 December 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2022	40,000	-	40,000
Changes in equity			
Dividends	-	(426,973)	(426,973)
Total comprehensive income	-	426,973	426,973
Balance at 31 December 2022	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Changes in equity			
Dividends	-	(438,260)	(438,260)
Total comprehensive income	-	438,260	438,260
Balance at 31 December 2023	<u>40,000</u>	<u>-</u>	<u>40,000</u>

Consolidated Cash Flow Statement
for the Year Ended 31 December 2023

	Notes	31.12.23 £	31.12.22 £
Cash flows from operating activities			
Cash generated from operations	1	2,449,192	1,455,000
Interest paid		(27,220)	(19,371)
Interest element of hire purchase payments paid		(16,352)	(8,846)
Tax paid		(393,736)	(246,206)
Net cash from operating activities		<u>2,011,884</u>	<u>1,180,577</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(123,974)
Purchase of tangible fixed assets		(1,198,145)	(36,436)
Sale of intangible fixed assets		-	200,000
Sale of tangible fixed assets		18,333	66,250
Interest received		16,256	319
Net cash from investing activities		<u>(1,163,556)</u>	<u>106,159</u>
Cash flows from financing activities			
New loans in year		400,000	28,966
Loan repayments in year		(106,430)	(69,028)
Capital repayments in year		(178,044)	(107,315)
Amount introduced by directors		-	51,536
Amount withdrawn by directors		(103,248)	-
Equity dividends paid		(438,260)	(444,039)
Net cash from financing activities		<u>(425,982)</u>	<u>(539,880)</u>
Increase in cash and cash equivalents		<u>422,346</u>	<u>746,856</u>
Cash and cash equivalents at beginning of year	2	1,156,163	409,307
Cash and cash equivalents at end of year	2	<u><u>1,578,509</u></u>	<u><u>1,156,163</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2023**

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

	31.12.23	31.12.22
	£	£
Profit before taxation	1,510,531	1,722,239
Depreciation charges	368,536	302,794
Profit on disposal of fixed assets	(3,081)	(224,307)
Finance costs	43,572	28,217
Finance income	(16,256)	(319)
	<u>1,903,302</u>	<u>1,828,624</u>
Decrease/(increase) in stocks	103,911	(365,753)
Decrease/(increase) in trade and other debtors	257,767	(478,307)
Increase in trade and other creditors	<u>184,212</u>	<u>470,436</u>
Cash generated from operations	<u><u>2,449,192</u></u>	<u><u>1,455,000</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 2023

	31.12.23	1.1.23
	£	£
Cash and cash equivalents	<u>1,578,509</u>	<u>1,156,163</u>

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>1,156,163</u>	<u>409,307</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23	Cash flow	Other non-cash changes	At 31.12.23
	£	£	£	£
Net cash				
Cash at bank	<u>1,156,163</u>	<u>422,346</u>		<u>1,578,509</u>
	<u>1,156,163</u>	<u>422,346</u>		<u>1,578,509</u>
Debt				
Finance leases	(243,486)	178,044	(290,139)	(355,581)
Debts falling due within 1 year	(137,379)	(26,780)	-	(164,159)
Debts falling due after 1 year	<u>(213,258)</u>	<u>(266,790)</u>	<u>-</u>	<u>(480,048)</u>
	<u>(594,123)</u>	<u>(115,526)</u>	<u>(290,139)</u>	<u>(999,788)</u>
Total	<u><u>562,040</u></u>	<u><u>306,820</u></u>	<u><u>(290,139)</u></u>	<u><u>578,721</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2023

1. **STATUTORY INFORMATION**

Langford Group Ltd is a private company, limited by shares, domiciled in England, registration number 13167708. The registered office is Langley Sutton Court, Sutton Lanc, Langley, England, SL3 8AR.

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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover represents net invoiced sales of flooring materials, excluding value added tax. Sales are recognised at the point at which the goods are delivered or the service is complete.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2014, is being amortised evenly over its estimated useful life of ten years.

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.

Brand costs are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost less depreciation. Cost represent purchase price together with any incidental costs of acquisition.

The directors have considered the residual value of all tangible fixed assets to be immaterial and therefore all tangible fixed assets are depreciated to nil value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is represented by purchase price.

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

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

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are discounted where the time value of money is material.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less. In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

3. EMPLOYEES AND DIRECTORS

	31.12.23	31.12.22
	£	£
Wages and salaries	1,638,644	1,489,536
Social security costs	139,241	123,368
Other pension costs	21,999	15,992
	<u>1,799,884</u>	<u>1,628,896</u>

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

	31.12.23	31.12.22
Employees	<u>51</u>	<u>43</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 46 (2022 - 38).

	31.12.23	31.12.22
	£	£
Directors' remuneration	<u>45,094</u>	<u>36,128</u>

4. OPERATING PROFIT

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

	31.12.23	31.12.22
	£	£
Depreciation - owned assets	88,289	55,342
Depreciation - assets on hire purchase contracts	120,062	82,267
Profit on disposal of fixed assets	(3,081)	(224,307)
Goodwill amortisation	95,000	100,000
Development costs amortisation	65,185	65,185
Auditors' remuneration	<u>12,000</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.23	31.12.22
	£	£
Other loan interest	27,220	13,002
Loan	-	6,369
Hire purchase	<u>16,352</u>	<u>8,846</u>
	<u>43,572</u>	<u>28,217</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

6. **TAXATION**

Analysis of the tax charge

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

	31.12.23 £	31.12.22 £
Current tax:		
UK corporation tax	292,630	313,226
Over/underprovision	16,680	-
Total current tax	309,310	313,226
Deferred tax	73,589	7,547
Tax on profit	382,899	320,773

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:

	31.12.23 £	31.12.22 £
Profit before tax	1,510,531	1,722,239
Profit multiplied by the standard rate of corporation tax in the UK of 23.521 % (2022 - 19 %)	355,292	327,225
Effects of:		
Expenses not deductible for tax purposes	4,531	10,338
Income not taxable for tax purposes	(1,705)	(45,724)
Capital allowances in excess of depreciation	(65,488)	(5,945)
Capital gains	-	27,332
Deferred tax movement	73,589	7,547
Over/underprovision	16,680	-
Total tax charge	382,899	320,773

7. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. **DIVIDENDS**

	31.12.23 £	31.12.22 £
Ordinary A - J shares of £1 each		
Final	438,260	444,039

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Development costs £	Totals £
COST			
At 1 January 2023 and 31 December 2023	950,000	325,928	1,275,928
AMORTISATION			
At 1 January 2023	831,250	105,576	936,826
Amortisation for year	95,000	65,185	160,185
At 31 December 2023	926,250	170,761	1,097,011
NET BOOK VALUE			
At 31 December 2023	23,750	155,167	178,917
At 31 December 2022	118,750	220,352	339,102

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2023	-	95,346	217,277	453,392	766,015
Additions	971,121	84,297	222,239	210,627	1,488,284
Disposals	-	-	-	(46,943)	(46,943)
At 31 December 2023	971,121	179,643	439,516	617,076	2,207,356
DEPRECIATION					
At 1 January 2023	-	32,726	209,335	154,455	396,516
Charge for year	-	39,621	73,276	95,454	208,351
Eliminated on disposal	-	-	-	(31,691)	(31,691)
At 31 December 2023	-	72,347	282,611	218,218	573,176
NET BOOK VALUE					
At 31 December 2023	971,121	107,296	156,905	398,858	1,634,180
At 31 December 2022	-	62,620	7,942	298,937	369,499

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

10. **TANGIBLE FIXED ASSETS - continued**

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2023	58,803	406,692	465,495
Additions	79,512	210,627	290,139
Disposals	-	(19,744)	(19,744)
Transfer to ownership	-	(45,285)	(45,285)
At 31 December 2023	<u>138,315</u>	<u>552,290</u>	<u>690,605</u>
DEPRECIATION			
At 1 January 2023	27,419	126,953	154,372
Charge for year	29,809	90,253	120,062
Eliminated on disposal	-	(10,219)	(10,219)
Transfer to ownership	-	(23,804)	(23,804)
At 31 December 2023	<u>57,228</u>	<u>183,183</u>	<u>240,411</u>
NET BOOK VALUE			
At 31 December 2023	<u>81,087</u>	<u>369,107</u>	<u>450,194</u>
At 31 December 2022	<u>31,384</u>	<u>279,739</u>	<u>311,123</u>

11. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 January 2023 and 31 December 2023	<u>40,003</u>
NET BOOK VALUE	
At 31 December 2023	<u>40,003</u>
At 31 December 2022	<u>40,003</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Sasgo Limited

Registered office: Unit 14, Faraday Road, Glenrothes, Fife, Scotland, KY6 2RU
Nature of business: Flooring materials

	% holding
Class of shares:	
Ordinary A - J	100.00

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

11. FIXED ASSET INVESTMENTS - continued

Probond Products Ltd

Registered office: Unit 14, Faraday Road, Glenrothes, Fife, Scotland, KY6 2RU
 Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Artech Products Ltd

Registered office: Unit 14, Faraday Road, Glenrothes, Fife, Scotland, KY6 2RU
 Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Duraflor Products Ltd

Registered office: Unit 14 Faraday Road, Glenrothes, Fife, Scotland, KY6 2RU
 Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

12. STOCKS

	Group	
	31.12.23	31.12.22
	£	£
Finished goods	<u>2,302,743</u>	<u>2,406,654</u>

13. DEBTORS

	Group	
	31.12.23	31.12.22
	£	£
Amounts falling due within one year:		
Trade debtors	1,917,706	2,044,360
Amounts owed by related parties	807	-
Other debtors	66,660	150,687
Directors' current accounts	139,248	-
Tax	46,996	-
Prepayments	<u>37,960</u>	<u>19,193</u>
	<u>2,209,377</u>	<u>2,214,240</u>
Amounts falling due after more than one year:		
Other debtors	<u>61,105</u>	<u>127,765</u>
Aggregate amounts	<u>2,270,482</u>	<u>2,342,005</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Bank loans and overdrafts (see note 16)	71,058	75,128	-	-
Other loans (see note 16)	93,101	62,251	-	-
Hire purchase contracts (see note 17)	140,981	108,984	-	-
Trade creditors	1,578,300	1,237,227	-	-
Amounts owed to group undertakings	-	-	3	3
Tax	275,796	313,226	-	-
Social security and other taxes	42,572	64,702	-	-
VAT	45,263	97,142	-	-
Directors' current accounts	919,613	883,613	-	-
Accruals and deferred income	161,448	244,300	-	-
	<u>3,328,132</u>	<u>3,086,573</u>	<u>3</u>	<u>3</u>

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

	Group	
	31.12.23	31.12.22
	£	£
Bank loans (see note 16)	146,272	213,258
Other loans (see note 16)	333,776	-
Hire purchase contracts (see note 17)	<u>214,600</u>	<u>134,502</u>
	<u>694,648</u>	<u>347,760</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

16. **LOANS**

An analysis of the maturity of loans is given below:

		Group	
		31.12.23	31.12.22
		£	£
Amounts falling due within one year or on demand:			
Bank loans		71,058	75,128
Other loans		93,101	62,251
		<u>164,159</u>	<u>137,379</u>
Amounts falling due between one and two years:			
Bank loans - 1-2 years		71,056	75,128
Other loans - 1-2 years		106,608	-
		<u>177,664</u>	<u>75,128</u>
Amounts falling due between two and five years:			
Bank loans - 2-5 years		75,216	138,130
Other loans - 2-5 years		227,168	-
		<u>302,384</u>	<u>138,130</u>

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

		Hire purchase contracts	
		31.12.23	31.12.22
		£	£
Net obligations repayable:			
Within one year		140,981	108,984
Between one and five years		214,600	134,502
		<u>355,581</u>	<u>243,486</u>

18. **SECURED DEBTS**

The following secured debts are included within creditors:

		Group	
		31.12.23	31.12.22
		£	£
Hire purchase contracts		355,581	243,486
Bank loans		92,330	113,386
		<u>447,911</u>	<u>356,872</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2023

19. PROVISIONS FOR LIABILITIES

	Group	
	31.12.23	31.12.22
	£	£
Deferred tax	<u>162,645</u>	<u>89,056</u>
Group		
		Deferred tax
		£
Balance at 1 January 2023		89,056
Provided during year		<u>73,589</u>
Balance at 31 December 2023		<u>162,645</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.23	31.12.22
			£	£
40,000	Ordinary A - J	£1	<u>40,000</u>	<u>40,000</u>

21. RESERVES

Group				Retained earnings
				£
At 1 January 2023				3,050,034
Profit for the year				1,127,632
Dividends				<u>(438,260)</u>
At 31 December 2023				<u>3,739,406</u>
Company				Retained earnings
				£
Profit for the year				438,260
Dividends				<u>(438,260)</u>
At 31 December 2023				<u>-</u>

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2023 and 31 December 2022:

	31.12.23 £	31.12.22 £
Mr A Gibson		
Balance outstanding at start of year	-	-
Amounts advanced	139,247	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>139,247</u>	<u>-</u>

23. RELATED PARTY DISCLOSURES

Other related parties

Other loans of £22,029 (2022: £62,251) relate to loans from family members and employees. Interest is payable at a rate of 2% above the Bank of England base rate. The total interest payment during the year was £679 (2022: £1,278).

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Directors.

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.