

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 October 2021
for
Timber Garden Buildings Limited

Contents of the Financial Statements
for the Year Ended 31 October 2021

	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
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	17

Timber Garden Buildings Limited

Company Information
for the Year Ended 31 October 2021

DIRECTORS:

G Vernon
M Anthony
S J Vernon

SECRETARY:

S J Vernon

REGISTERED OFFICE:

Chesterton Road
Eastwood Trading Estate
Rotherham
South Yorkshire
S65 1SU

REGISTERED NUMBER:

06066071 (England and Wales)

AUDITORS:

Hardwicks Accountants Ltd
Statutory Auditor
Chartered Accountants
Rotherham
S66 1EH

Strategic Report
for the Year Ended 31 October 2021

The directors present their strategic report for the year ended 31 October 2021.

REVIEW OF BUSINESS

The board are pleased to of further improved on the financial performance from FY 2020. Following on from the difficulties of COVID-19 in 2020, we believe our industry benefited form the aftermath and realised a surge on sales during FY2021.

Annualised turnover and Operating profits grew from the consequences of COVID-19. The board realise this surge in revenue will subsequently reduce, however, the launch of new products and increase of sales exposure will ensure the business sustains similar profitability levels.

The business was disappointed to experience a reduced Gross Profit margin caused by the rises in raw material costs, however through meticulous management of labour resource we were able to further reduce labour costs and mitigate the reduction of the Gross margin.

The balance sheet shows that the net assets of the business have increased due to improved performance and increase in the value of land and buildings.

Going forward the board are focussed on increasing market share for the business, it is believed this strategy will make the company more resilient to expected economic downturn.

Strategic Report
for the Year Ended 31 October 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The board believe we have sufficient risk management controls in place to identify what we consider to be principal risks to our business.

COVID-19 Risk

The company has experienced a positive downturn in COVID-19 risk and exposure.

The business will continue to follow government guidelines and legislation and when required take advantage of the governments support packages including any available grants.

BREXIT

The board believe that the business has managed the new regulations and the consequent cost increases well and the risks are deemed low. However, the management team continue to be aware of all current changes to legislation.

Economic Downturn

An Economic downturn, resulting in reduced consumer spending as compelled the board to carefully review the products we offer and our sales and marketing strategy. The directors remain confident that strides taken to combat the economic downturn will ensure the business sustains profitability and growth.

Fluctuations in critical material supply

The upturn in global demand for timber in 2021 created a rapid increase in the price of this material and other critical materials. The business has needed to track these price fluctuations to be able to sustain a commercial gross profit margin rate and manage the challenges to source adequate supply. The demand has now reduced and subsequently we are now experiencing a significant reduction of material costs which will allow the business to track selling price and remain competitive within the market. The management structure in place has risen to this challenge and is managing the price and supply levels to excellent effect.

ON BEHALF OF THE BOARD:

M Anthony - Director

23 August 2022

Report of the Directors
for the Year Ended 31 October 2021

The directors present their report with the financial statements of the company for the year ended 31 October 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacture and wholesale of garden buildings.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2020 to the date of this report.

G Vernon
M Anthony

Other changes in directors holding office are as follows:

J Yates - resigned 18 November 2020
S J Vernon - appointed 18 November 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT 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.

Report of the Directors
for the Year Ended 31 October 2021

AUDITORS

The auditors, Hardwicks Accountants Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M Anthony - Director

23 August 2022

Report of the Independent Auditors to the Members of
Timber Garden Buildings Limited

Opinion

We have audited the financial statements of Timber Garden Buildings Limited (the 'company') for the year ended 31 October 2021 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 October 2021 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 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.

Report of the Independent Auditors to the Members of
Timber Garden Buildings 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 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 Statement of Directors' Responsibilities 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:

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and HMRC tax compliance regulations. We performed audit procedures to detect non-compliance's which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls, revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in respect of the risk of management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures performed on the risk of fraud in revenue recognition included but were not limited to checking that revenue was recorded in the correct period with reference to sales transactions recorded on either side of the year end.

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
Timber Garden Buildings 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.

Nicholas Hardwick (Senior Statutory Auditor)
for and on behalf of Hardwicks Accountants Ltd
Statutory Auditor
Chartered Accountants
Rotherham
S66 1EH

23 August 2022

Income Statement
for the Year Ended 31 October 2021

	Notes	31.10.21 £	31.10.20 £
TURNOVER	3	12,956,321	8,895,297
Cost of sales		<u>10,162,952</u>	<u>6,942,896</u>
GROSS PROFIT		2,793,369	1,952,401
Administrative expenses		<u>2,296,984</u>	<u>1,759,281</u>
		496,385	193,120
Other operating income		<u>594,743</u>	<u>659,647</u>
OPERATING PROFIT	5	1,091,128	852,767
Interest payable and similar expenses	6	<u>119,139</u>	<u>134,274</u>
PROFIT BEFORE TAXATION		971,989	718,493
Tax on profit	7	<u>185,487</u>	<u>130,300</u>
PROFIT FOR THE FINANCIAL YEAR		<u>786,502</u>	<u>588,193</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 October 2021

	31.10.21 £	31.10.20 £
Notes		
PROFIT FOR THE YEAR	786,502	588,193
OTHER COMPREHENSIVE INCOME		
Revaluation of freehold premises	1,176,366	-
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>1,176,366</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,962,868</u>	<u>588,193</u>

The notes form part of these financial statements

Balance Sheet
31 October 2021

	Notes	31.10.21 £	£	31.10.20 £	£
FIXED ASSETS					
Tangible assets	8		3,248,759		2,095,846
CURRENT ASSETS					
Stocks	9	3,040,578		1,973,119	
Debtors	10	2,169,162		2,159,036	
Cash at bank and in hand		<u>253,989</u>		<u>134,378</u>	
		5,463,729		4,266,533	
CREDITORS					
Amounts falling due within one year	11	<u>4,362,317</u>		<u>3,706,946</u>	
NET CURRENT ASSETS			<u>1,101,412</u>		<u>559,587</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,350,171		2,655,433
CREDITORS					
Amounts falling due after more than one year	12		(1,572,609)		(1,845,989)
PROVISIONS FOR LIABILITIES	16		<u>(59,950)</u>		<u>(54,700)</u>
NET ASSETS			<u><u>2,717,612</u></u>		<u><u>754,744</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		50,000		50,000
Revaluation reserve	18		1,176,366		-
Capital redemption reserve	18		50,000		50,000
Retained earnings	18		<u>1,441,246</u>		<u>654,744</u>
SHAREHOLDERS' FUNDS			<u><u>2,717,612</u></u>		<u><u>754,744</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2022 and were signed on its behalf by:

M Anthony - Director

Statement of Changes in Equity
for the Year Ended 31 October 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 November 2019	50,000	66,551	-	50,000	166,551
Changes in equity					
Total comprehensive income	-	588,193	-	-	588,193
Balance at 31 October 2020	50,000	654,744	-	50,000	754,744
Changes in equity					
Total comprehensive income	-	786,502	1,176,366	-	1,962,868
Balance at 31 October 2021	50,000	1,441,246	1,176,366	50,000	2,717,612

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 October 2021

	Notes	31.10.21 £	31.10.20 £
Cash flows from operating activities			
Cash generated from operations	1	380,105	77,293
Interest paid		(117,918)	(134,274)
Interest element of hire purchase payments paid		(1,221)	-
Government grants received		594,743	659,647
Net cash from operating activities		<u>855,709</u>	<u>602,666</u>
Cash flows from investing activities			
Sale of tangible fixed assets		<u>3,125</u>	<u>410,000</u>
Net cash from investing activities		<u>3,125</u>	<u>410,000</u>
Cash flows from financing activities			
New loans in year		50,000	476,000
Loan repayments in year		(407,931)	(871,725)
Capital repayments in year		(25,691)	(61,976)
Amount withdrawn by directors		(64,350)	(74,311)
Net cash from financing activities		<u>(447,972)</u>	<u>(532,012)</u>
Increase in cash and cash equivalents		<u>410,862</u>	<u>480,654</u>
Cash and cash equivalents at beginning of year	2	(542,281)	(1,022,935)
Cash and cash equivalents at end of year	2	<u>(131,419)</u>	<u>(542,281)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 October 2021

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

	31.10.21	31.10.20
	£	£
Profit before taxation	971,989	718,493
Depreciation charges	75,123	117,098
Loss/(profit) on disposal of fixed assets	5,101	(176,658)
Government grants	(594,743)	(659,647)
Finance costs	119,139	134,274
	<u>576,609</u>	<u>133,560</u>
(Increase)/decrease in stocks	(1,067,459)	92,871
Increase in trade and other debtors	(10,126)	(313,580)
Increase in trade and other creditors	881,081	164,442
Cash generated from operations	<u><u>380,105</u></u>	<u><u>77,293</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 October 2021

	31.10.21	1.11.20
	£	£
Cash and cash equivalents	253,989	134,378
Bank overdrafts	(385,408)	(676,659)
	<u><u>(131,419)</u></u>	<u><u>(542,281)</u></u>

Year ended 31 October 2020

	31.10.20	1.11.19
	£	£
Cash and cash equivalents	134,378	3,765
Bank overdrafts	(676,659)	(1,026,700)
	<u><u>(542,281)</u></u>	<u><u>(1,022,935)</u></u>

Notes to the Cash Flow Statement
for the Year Ended 31 October 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.20 £	Cash flow £	Other non-cash changes £	At 31.10.21 £
Net cash				
Cash at bank and in hand	134,378	119,611		253,989
Bank overdrafts	<u>(676,659)</u>	<u>291,251</u>		<u>(385,408)</u>
	<u>(542,281)</u>	<u>410,862</u>		<u>(131,419)</u>
Debt				
Finance leases	-	25,691	(59,896)	(34,205)
Debts falling due within 1 year	(418,954)	63,162	-	(355,792)
Debts falling due after 1 year	<u>(1,845,989)</u>	<u>294,769</u>	<u>-</u>	<u>(1,551,220)</u>
	<u>(2,264,943)</u>	<u>383,622</u>	<u>(59,896)</u>	<u>(1,941,217)</u>
Total	<u>(2,807,224)</u>	<u>794,484</u>	<u>(59,896)</u>	<u>(2,072,636)</u>

Notes to the Financial Statements
for the Year Ended 31 October 2021

1. **STATUTORY INFORMATION**

Timber Garden Buildings 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. **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.

Turnover

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

Tangible fixed assets

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

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

2. **ACCOUNTING POLICIES - continued**

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.

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:

	31.10.21	31.10.20
	£	£
Timber garden buildings	12,956,321	8,895,297
	<u>12,956,321</u>	<u>8,895,297</u>

An analysis of turnover by geographical market for the year ended 31 October 2020 is given below:

	£
United Kingdom	8,895,297
	<u>8,895,297</u>

This analysis is not considered to be applicable to the year ended 31 October 2021.

4. **EMPLOYEES AND DIRECTORS**

	31.10.21	31.10.20
	£	£
Wages and salaries	3,537,969	2,911,092
Other pension costs	58,198	37,638
	<u>3,596,167</u>	<u>2,948,730</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

4. **EMPLOYEES AND DIRECTORS - continued**

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

	31.10.21	31.10.20
Management	3	3
Office	15	14
Production	92	82
	<u>110</u>	<u>99</u>
	31.10.21	31.10.20
	£	£
Directors' remuneration	61,000	20,060
Directors' pension contributions to money purchase schemes	<u>1,756</u>	<u>-</u>

5. **OPERATING PROFIT**

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

	31.10.21	31.10.20
	£	£
Hire of plant and machinery	298,128	34,626
Depreciation - owned assets	75,123	117,100
Loss/(profit) on disposal of fixed assets	5,101	(176,658)
Auditors' remuneration	<u>6,000</u>	<u>4,000</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.10.21	31.10.20
	£	£
Bank interest	32,452	39,338
Bank loan interest	37,428	68,922
Late payment interest	7,500	9,945
Loan interest	40,538	16,069
Hire purchase	<u>1,221</u>	<u>-</u>
	<u>119,139</u>	<u>134,274</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

7. **TAXATION**

Analysis of the tax charge

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

	31.10.21 £	31.10.20 £
Current tax:		
UK corporation tax	180,237	138,000
Deferred tax	5,250	(7,700)
Tax on profit	<u>185,487</u>	<u>130,300</u>

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:

	31.10.21 £	31.10.20 £
Profit before tax	<u>971,989</u>	<u>718,493</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	184,678	136,514
Effects of:		
Expenses not deductible for tax purposes	1,425	6,591
Capital allowances in excess of depreciation	(5,865)	-
Depreciation in excess of capital allowances	-	10,386
Adjustments to tax charge in respect of previous periods	(1)	1,406
Deferred taxation	5,250	(7,770)
Chargeable gain adjustment	-	(16,827)
Total tax charge	<u>185,487</u>	<u>130,300</u>

Tax effects relating to effects of other comprehensive income

	Gross £	31.10.21 Tax £	Net £
Revaluation of freehold premises	<u>1,176,366</u>	<u>-</u>	<u>1,176,366</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

8. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 November 2020	1,602,783	1,257,047	188,587	170,203	3,218,620
Additions	-	40,095	19,801	-	59,896
Disposals	-	-	-	(80,400)	(80,400)
Revaluations	1,097,217	-	-	-	1,097,217
At 31 October 2021	<u>2,700,000</u>	<u>1,297,142</u>	<u>208,388</u>	<u>89,803</u>	<u>4,295,333</u>
DEPRECIATION					
At 1 November 2020	79,149	780,907	112,175	150,543	1,122,774
Charge for year	-	60,801	11,462	2,860	75,123
Eliminated on disposal	-	-	-	(72,174)	(72,174)
Revaluation adjustments	(79,149)	-	-	-	(79,149)
At 31 October 2021	<u>-</u>	<u>841,708</u>	<u>123,637</u>	<u>81,229</u>	<u>1,046,574</u>
NET BOOK VALUE					
At 31 October 2021	<u>2,700,000</u>	<u>455,434</u>	<u>84,751</u>	<u>8,574</u>	<u>3,248,759</u>
At 31 October 2020	<u>1,523,634</u>	<u>476,140</u>	<u>76,412</u>	<u>19,660</u>	<u>2,095,846</u>

Included in cost or valuation of land and buildings is freehold land of £ 898,960 (2020 - £ 898,960) which is not depreciated.

Cost or valuation at 31 October 2021 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2021	1,097,217	-	-	-	1,097,217
Cost	<u>1,602,783</u>	<u>1,297,142</u>	<u>208,388</u>	<u>89,803</u>	<u>3,198,116</u>
	<u>2,700,000</u>	<u>1,297,142</u>	<u>208,388</u>	<u>89,803</u>	<u>4,295,333</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

8. TANGIBLE FIXED ASSETS - continued

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

	31.10.21	31.10.20
	£	£
Cost	<u>1,602,782</u>	<u>1,602,782</u>
Aggregate depreciation	<u>93,225</u>	<u>79,149</u>
Value of land in freehold land and buildings	<u>898,960</u>	<u>898,960</u>

Freehold land and buildings were valued on open market basis on 30 September 2021 by Avison Young .

9. STOCKS

	31.10.21	31.10.20
	£	£
Raw materials	2,183,059	945,478
Work-in-progress	37,986	30,998
Finished goods	<u>819,533</u>	<u>996,643</u>
	<u>3,040,578</u>	<u>1,973,119</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.21	31.10.20
	£	£
Trade debtors	2,070,633	2,101,157
Other debtors	13,500	-
Prepayments	<u>85,029</u>	<u>57,879</u>
	<u>2,169,162</u>	<u>2,159,036</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.21	31.10.20
	£	£
Bank loans and overdrafts (see note 13)	597,200	895,613
Other loans (see note 13)	144,000	200,000
Hire purchase contracts (see note 14)	12,816	-
Trade creditors	1,965,701	1,015,411
Tax	328,977	148,740
Social security and other taxes	457,196	541,144
VAT	407,964	468,548
Other creditors	107,560	48,382
Directors' loan accounts	166,110	230,460
Accrued expenses	<u>174,793</u>	<u>158,648</u>
	<u>4,362,317</u>	<u>3,706,946</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.10.21	31.10.20
	£	£
Bank loans (see note 13)	1,020,550	1,001,319
Other loans (see note 13)	530,670	844,670
Hire purchase contracts (see note 14)	21,389	-
	<u>1,572,609</u>	<u>1,845,989</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	31.10.21	31.10.20
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	385,408	676,659
Bank loans	211,792	218,954
Other loans	<u>144,000</u>	<u>200,000</u>
	<u>741,200</u>	<u>1,095,613</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	358,792	268,594
Other loans - 1-2 years	<u>144,000</u>	<u>314,000</u>
	<u>502,792</u>	<u>582,594</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	466,835	569,364
Other loans - 2-5 years	<u>370,537</u>	<u>432,000</u>
	<u>837,372</u>	<u>1,001,364</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	194,923	163,361
Other loans more 5yrs instal	<u>16,133</u>	<u>98,670</u>
	<u>211,056</u>	<u>262,031</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

14. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.10.21	31.10.20
	£	£
Net obligations repayable:		
Within one year	12,816	-
Between one and five years	21,389	-
	<u>34,205</u>	<u>-</u>
	Non-cancellable operating leases	
	31.10.21	31.10.20
	£	£
Within one year	<u>145,488</u>	<u>16,861</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.10.21	31.10.20
	£	£
Bank overdrafts	385,408	676,659
Bank loans	<u>1,232,342</u>	<u>1,220,273</u>
	<u>1,617,750</u>	<u>1,896,932</u>

16. **PROVISIONS FOR LIABILITIES**

	31.10.21	31.10.20
	£	£
Deferred tax	<u>59,950</u>	<u>54,700</u>
		Deferred tax
		£
Balance at 1 November 2020		54,700
Provided during year		<u>5,250</u>
Balance at 31 October 2021		<u>59,950</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.10.21 £	31.10.20 £
50,000	ordinary	£1	<u>50,000</u>	<u>50,000</u>

18. **RESERVES**

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 November 2020	654,744	-	50,000	704,744
Profit for the year	786,502			786,502
Property revaluation	-	1,176,366	-	1,176,366
At 31 October 2021	<u>1,441,246</u>	<u>1,176,366</u>	<u>50,000</u>	<u>2,667,612</u>

19. **RELATED PARTY DISCLOSURES**

Key management personnel of the entity or its parent (in the aggregate)

	31.10.21 £	31.10.20 £
Sales	1,261,100	910,546
Amount due from related party	<u>520,961</u>	<u>379,182</u>

20. **ULTIMATE CONTROLLING PARTY**

The company's controlling party and ultimate controlling party is Mr G Vernon.

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.