

**COMPANY REGISTRATION NUMBER: 04335286**

**Incafield Limited**  
**Financial Statements**  
**31 December 2021**

**Incafield Limited**  
**Financial Statements**

**Year ended 31 December 2021**

<b>Contents</b>	<b>Page</b>
Strategic report	<b>1</b>
Directors' report	<b>3</b>
Independent auditor's report to the members	<b>5</b>
Consolidated statement of comprehensive income	<b>9</b>
Consolidated statement of financial position	<b>10</b>
Company statement of financial position	<b>11</b>
Consolidated statement of changes in equity	<b>12</b>
Company statement of changes in equity	<b>13</b>
Consolidated statement of cash flows	<b>14</b>
Notes to the financial statements	<b>15</b>

# **Incafield Limited**

## **Strategic Report**

### **Year ended 31 December 2021**

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

**Business Review** The Directors are pleased to report that the group has been able to maintain a strong level of profitability for the year despite the many uncertainties that 2021 presented most notably Covid-19 and the additional pressure this placed on the group. Management are very pleased with the application of staff to ensure the highest levels of health and safety being applied to enable the group to continue to successfully service its clients and subsequently a key industry during a National pandemic.

**Financial management risks** The primary financial management risk for the group is liquidity, however as is shown in the balance sheet the group has built up a strong cash reserve to enable it to manage any uncertain liquidity issues. Careful management of both trade debtors and creditors also helps ensure no unnecessary strain is placed upon the cash flow requirements of the group.

**Key Performance Indicators** Gross profit margin 33.4% (2020: 33.1%) The gross profit margins remain consistent each year, with small fluctuations being due to increases in costs and the cost saving measures implemented to counteract these increases. Debtor days 43 days (2020: 29 days) The increase in debtor days is of minimal concern as it is similar to the 2019 figure (41 days). There remains evidence of the strong controls implemented by management in relation to liquidity management. Creditor days 70 days (2020: 60 days) Reflective of good supplier relationships.

**Covid-19** Management continue to ensure full compliance with government guidance and strict health and safety measures are in place to protect staff, customers and suppliers. As the country begins to transition out of the restrictions placed upon us management will ensure the policies adopted are maintained in line with guidelines and continue to ensure that Covid-19 does not pose a risk to the business.

**Conflict in Ukraine** The directors have considered the impact of the events in Ukraine with particular reference to how this may disrupt their business model, strategy and operations. It is noted that the company has no dealings with either Ukraine or any nation or individual currently experiencing sanctions as a result of the events in Ukraine. The directors have liaised with suppliers and customers and similarly they have no dealings that will impact the group's supply chain, recoverability of debt and credit. It is clear that there is a worldwide impact on the cost of particular goods, to include fuel, which in turn has increased the base costs of consumables in the business. The directors have calculated the effect and believe that this will not significantly impact the ability to trade or going concern.

**Future plans** In 2022 the group hopes to consolidate its position by maintaining profits at a similar level, continue to meet the needs of its customers and adapt to the impact of Brexit. Management is also investing in the infrastructure of the business to ensure they continue to offer industry leading services to its customers.

This report was approved by the board of directors on 8 June 2022 and signed on behalf of the board by:

Mr S C Cross

Director

Registered office:

Camburgh House

27 New Dover Road

Canterbury

Kent

CT1 3DN

# **Incafield Limited**

## **Directors' Report**

### **Year ended 31 December 2021**

The directors present their report and the financial statements of the group for the year ended 31 December 2021 .

#### **Directors**

The directors who served the company during the year were as follows:

Mr S C Cross

Mr R W J Marshall

#### **Dividends**

Particulars of recommended dividends are detailed in note 13 to the financial statements.

#### **Employment of disabled persons**

It is the policy of the company that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled all reasonable effort is made to ensure that their employment within the company continues. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of an able bodied person.

#### **Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between management and employees to allow a free flow of information and ideas.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and 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 judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information. The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 8 June 2022 and signed on behalf of the board by:

Mr S C Cross

Director

Registered office:

Camburgh House

27 New Dover Road

Canterbury

Kent

CT1 3DN

# **Incafield Limited**

## **Independent Auditor's Report to the Members of Incafield Limited**

**Year ended 31 December 2021**

### **Opinion**

We have audited the financial statements of Incafield Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 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's affairs as at 31 December 2021 and of the group's profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 or 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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.



## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance with particular reference to the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets. We also consider the results of our enquiries of management relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness. Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end, posting of unusual journals and manipulating the Company's performance measures to meet remuneration targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit. Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Reid

(Senior Statutory Auditor)

For and on behalf of

Burgess Hodgson LLP

Chartered accountants & statutory auditor

Camburgh House

27 New Dover Road

Canterbury

Kent

CT1 3DN

8 June 2022

# Incafield Limited

## Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	Note	2021 £	2020 £
<b>Turnover</b>	<b>4</b>	14,502,981	16,521,804
Cost of sales		( 9,663,080)	( 11,051,818)
<b>Gross profit</b>		4,839,901	5,469,986
Administrative expenses		( 4,013,962)	( 4,245,009)
Other operating income	<b>5</b>	–	21,408
<b>Operating profit</b>	<b>6</b>	825,939	1,246,385
Other interest receivable and similar income	<b>10</b>	98	419
Interest payable and similar expenses	<b>11</b>	( 59,541)	( 50,856)
<b>Profit before taxation</b>		766,496	1,195,948
Tax on profit	<b>12</b>	( 148,765)	( 241,182)
<b>Profit for the financial year and total comprehensive income</b>		617,731	954,766

All the activities of the group are from continuing operations.

# Incafield Limited

## Consolidated Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<b>14</b>	7,426,135	7,114,238
<b>Current assets</b>			
Stocks	<b>16</b>	257,315	350,220
Debtors	<b>17</b>	2,524,495	2,206,508
Cash at bank and in hand		2,019,855	1,545,436
		-----	-----
		4,801,665	4,102,164
<b>Creditors: amounts falling due within one year</b>	<b>18</b>	3,416,337	3,212,272
		-----	-----
<b>Net current assets</b>		1,385,328	889,892
		-----	-----
<b>Total assets less current liabilities</b>		8,811,463	8,004,130
<b>Creditors: amounts falling due after more than one year</b>	<b>19</b>	2,873,946	2,224,183
<b>Provisions</b>			
Taxation including deferred tax	<b>21</b>	168,732	160,893
		-----	-----
<b>Net assets</b>		5,768,785	5,619,054
		-----	-----
<b>Capital and reserves</b>			
Called up share capital	<b>25</b>	10,000	10,000
Share premium account	<b>26</b>	33,750	33,750
Profit and loss account	<b>26</b>	5,725,035	5,575,304
		-----	-----
<b>Shareholders funds</b>		5,768,785	5,619,054
		-----	-----

These financial statements were approved by the board of directors and authorised for issue on 8 June 2022 , and are signed on behalf of the board by:

Mr S C Cross

Director

Company registration number: 04335286

# Incafield Limited

## Company Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<b>14</b>	7,237,501	6,662,801
Investments	<b>15</b>	100	100
		-----	-----
		7,237,601	6,662,901
<b>Current assets</b>			
Cash at bank and in hand		536,847	164,241
<b>Creditors: amounts falling due within one year</b>	<b>18</b>	1,539,518	1,071,717
		-----	-----
<b>Net current liabilities</b>		1,002,671	907,476
		-----	-----
<b>Total assets less current liabilities</b>		6,234,930	5,755,425
<b>Creditors: amounts falling due after more than one year</b>	<b>19</b>	2,873,946	2,224,183
<b>Provisions</b>			
Taxation including deferred tax	<b>21</b>	168,732	134,184
		-----	-----
<b>Net assets</b>		3,192,252	3,397,058
		-----	-----
<b>Capital and reserves</b>			
Called up share capital	<b>25</b>	10,000	10,000
Share premium account	<b>26</b>	33,750	33,750
Profit and loss account	<b>26</b>	3,148,502	3,353,308
		-----	-----
<b>Shareholders funds</b>		3,192,252	3,397,058
		-----	-----

The profit for the financial year of the parent company was £ 263,194 (2020: £ 1,553,428 ).

These financial statements were approved by the board of directors and authorised for issue on 8 June 2022 , and are signed on behalf of the board by:

Mr S C Cross

Director

Company registration number: 04335286

# Incafield Limited

## Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	<b>Total £</b>
<b>At 1 January 2020</b>	10,000	33,750	5,043,538	5,087,288
Profit for the year	-----	-----	954,766	954,766
<b>Total comprehensive income for the year</b>	-	-	954,766	954,766
Dividends paid and payable <b>13</b>	-----	-----	( 423,000)	( 423,000)
<b>Total investments by and distributions to owners</b>	-	-	( 423,000)	( 423,000)
<b>At 31 December 2020</b>	10,000	33,750	5,575,304	5,619,054
Profit for the year	-----	-----	617,731	617,731
<b>Total comprehensive income for the year</b>	-	-	617,731	617,731
Dividends paid and payable <b>13</b>	-----	-----	( 468,000)	( 468,000)
<b>Total investments by and distributions to owners</b>	-	-	( 468,000)	( 468,000)
<b>At 31 December 2021</b>	10,000	33,750	5,725,035	5,768,785

# Incafield Limited

## Company Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	<b>Total £</b>
<b>At 1 January 2020</b>	10,000	33,750	2,222,880	2,266,630
Profit for the year	-----	-----	1,553,428	1,553,428
<b>Total comprehensive income for the year</b>	-	-	1,553,428	1,553,428
Dividends paid and payable <b>13</b>	-----	-----	( 423,000)	( 423,000)
<b>Total investments by and distributions to owners</b>	-	-	( 423,000)	( 423,000)
<b>At 31 December 2020</b>	10,000	33,750	3,353,308	3,397,058
Profit for the year	-----	-----	263,194	263,194
<b>Total comprehensive income for the year</b>	-	-	263,194	263,194
Dividends paid and payable <b>13</b>	-----	-----	( 468,000)	( 468,000)
<b>Total investments by and distributions to owners</b>	-	-	( 468,000)	( 468,000)
<b>At 31 December 2021</b>	10,000	33,750	3,148,502	3,192,252

# Incafield Limited

## Consolidated Statement of Cash Flows

Year ended 31 December 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	617,731	954,766
<i>Adjustments for:</i>		
Depreciation of tangible assets	624,156	615,043
Government grant income	-	( 21,408)
Other interest receivable and similar income	( 98)	( 419)
Interest payable and similar expenses	59,541	50,856
Loss/(gains) on disposal of tangible assets	79,082	( 8,126)
Tax on profit	148,765	241,182
Accrued (income)/expenses	( 78,975)	249,129
<i>Changes in:</i>		
Stocks	92,905	( 45,821)
Trade and other debtors	( 359,991)	13,088
Trade and other creditors	44,486	432,730
	-----	-----
Cash generated from operations	1,227,602	2,481,020
Interest paid	( 59,541)	( 50,856)
Interest received	42,102	82,042
Tax paid	( 86,979)	( 267,500)
	-----	-----
Net cash from operating activities	1,123,184	2,244,706
	-----	-----
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	( 1,069,635)	( 1,696,006)
Proceeds from sale of tangible assets	54,500	121,032
	-----	-----
Net cash used in investing activities	( 1,015,135)	( 1,574,974)
	-----	-----
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	( 143,151)	( 135,472)
Government grant income	-	21,408
Payments of finance lease liabilities	977,521	( 139,903)
Dividends paid	( 468,000)	( 423,000)
	-----	-----
Net cash from/(used in) financing activities	366,370	( 676,967)
	-----	-----
<b>Net increase/(decrease) in cash and cash equivalents</b>	474,419	( 7,235)
<b>Cash and cash equivalents at beginning of year</b>	1,545,436	1,552,671
	-----	-----
<b>Cash and cash equivalents at end of year</b>	2,019,855	1,545,436
	-----	-----



# Incafield Limited

## Notes to the Financial Statements

**Year ended 31 December 2021**

*(continued)*

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Camburgh House, 27 New Dover Road, Canterbury, Kent, CT1 3DN.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Consolidation**

The financial statements consolidate the financial statements of Incafield Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Leases Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: Allowance for doubtful debts The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Tangible fixed assets Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Stock provision Reviews are made periodically by management on damaged, obsolete and slow-moving stock. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of stock.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Long Leasehold property	-	20% straight line
Plant and machinery	-	10 - 33% Straight line
Fixtures, fittings and equipment	-	25 - 50% Straight line
Motor vehicles	-	25% straight line

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

## **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

## **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

## **Government grants**

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

## **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

## **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements entered into. Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses. Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

## **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

## **4. Turnover**

Turnover arises from:

	<b>2021</b>	2020
	<b>£</b>	£
Rendering of services	14,502,981	16,521,804
	-----	-----

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

## 5. Other operating income

	2021	2020
	£	£
Government grant income	–	21,408
	----	-----

## 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	624,156	615,043
Loss/(gains) on disposal of tangible assets	79,082	( 8,126)
	-----	-----

## 7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	12,780	12,175
	-----	-----
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	10,450	9,950
Other non-audit services	11,350	10,800
	-----	-----
	21,800	20,750
	-----	-----

## 8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	192	202
Administrative staff	28	29
Management staff	5	6
	----	----
	225	237
	----	----

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	7,044,069	7,792,257
Social security costs	442,293	554,146
Other pension costs	82,894	90,424
	-----	-----
	7,569,256	8,436,827
	-----	-----

## 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	282,180	708,247
	-----	-----

Remuneration of the highest paid director in respect of qualifying services:

	<b>2021</b>	2020
	<b>£</b>	£
Aggregate remuneration	261,180	708,247
	-----	-----

#### **10. Other interest receivable and similar income**

	<b>2021</b>	2020
	<b>£</b>	£
Interest on cash and cash equivalents	98	419
	----	----

#### **11. Interest payable and similar expenses**

	<b>2021</b>	2020
	<b>£</b>	£
Interest on banks loans and overdrafts	40,395	48,183
Interest on obligations under finance leases and hire purchase contracts	19,146	2,673
	-----	-----
	59,541	50,856
	-----	-----

#### **12. Tax on profit**

##### **Major components of tax expense**

	<b>2021</b>	2020
	<b>£</b>	£
<b>Current tax:</b>		
UK current tax expense	140,928	103,915
Adjustments in respect of prior periods	( 2)	( 509)
	-----	-----
Total current tax	140,926	103,406
	-----	-----
<b>Deferred tax:</b>		
Origination and reversal of timing differences	7,839	137,776
	-----	-----
<b>Tax on profit</b>	148,765	241,182
	-----	-----

##### **Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19 % (2020: 19 %).

	<b>2021</b>	2020
	<b>£</b>	£
Profit on ordinary activities before taxation	766,496	1,195,948
	-----	-----
Profit on ordinary activities by rate of tax	145,718	227,231
Effect of expenses not deductible for tax purposes	3,277	( 9,554)
Effect of capital allowances and depreciation	( 8,067)	( 112,218)
Loss/(profit) on disposal of fixed assets	-	( 1,544)
Under/(over) provision	( 2)	( 509)
Deferred tax adjustment	7,839	137,776
	-----	-----
Tax on profit	148,765	241,182
	-----	-----

### 13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021	2020
	£	£
Dividends on equity shares	468,000	423,000
	-----	-----

### 14. Tangible assets

Group	Freehold property	Long leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 Jan 2021	6,493,279	11,463	4,814,401	655,156	364,850	12,339,149
Additions	984,749	-	32,942	51,944	-	1,069,635
Disposals	-	-	-	-	( 289,676)	( 289,676)
	-----	-----	-----	-----	-----	-----
<b>At 31 Dec 2021</b>	<b>7,478,028</b>	<b>11,463</b>	<b>4,847,343</b>	<b>707,100</b>	<b>75,174</b>	<b>13,119,108</b>
	-----	-----	-----	-----	-----	-----
<b>Depreciation</b>						
At 1 Jan 2021	1,370,176	11,463	3,165,604	536,819	140,849	5,224,911
Charge for the year	110,827	-	324,106	107,282	81,941	624,156
Disposals	-	-	-	-	( 156,094)	( 156,094)
	-----	-----	-----	-----	-----	-----
<b>At 31 Dec 2021</b>	<b>1,481,003</b>	<b>11,463</b>	<b>3,489,710</b>	<b>644,101</b>	<b>66,696</b>	<b>5,692,973</b>
	-----	-----	-----	-----	-----	-----
<b>Carrying amount</b>						
<b>At 31 Dec 2021</b>	<b>5,997,025</b>	<b>-</b>	<b>1,357,633</b>	<b>62,999</b>	<b>8,478</b>	<b>7,426,135</b>
	-----	-----	-----	-----	-----	-----
At 31 Dec 2020	5,123,103	-	1,648,797	118,337	224,001	7,114,238
	-----	-----	-----	-----	-----	-----



<b>Company</b>	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	<b>Total £</b>
<b>Cost</b>						
At 1 Jan 2021	6,493,279	2,765,147	53,752	364,850	2,397	9,679,425
Additions	984,749	29,083	–	–	–	1,013,832
Disposals	–	–	–	( 289,676)	–	( 289,676)
<b>At 31 Dec 2021</b>	<b>7,478,028</b>	<b>2,794,230</b>	<b>53,752</b>	<b>75,174</b>	<b>2,397</b>	<b>10,403,581</b>
<b>Depreciation</b>						
At 1 Jan 2021	1,370,176	1,451,424	52,977	140,849	1,198	3,016,624
Charge for the year	110,827	111,528	775	81,941	479	305,550
Disposals	–	–	–	( 156,094)	–	( 156,094)
<b>At 31 Dec 2021</b>	<b>1,481,003</b>	<b>1,562,952</b>	<b>53,752</b>	<b>66,696</b>	<b>1,677</b>	<b>3,166,080</b>
<b>Carrying amount At 31 Dec 2021</b>	<b>5,997,025</b>	<b>1,231,278</b>	<b>–</b>	<b>8,478</b>	<b>720</b>	<b>7,237,501</b>
At 31 Dec 2020	5,123,103	1,313,723	775	224,001	1,199	6,662,801

#### **Finance leases and hire purchase contracts**

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

<b>Group</b>	<b>Plant and machinery £</b>
<b>At 31 December 2021</b>	<b>1,214,183</b>
At 31 December 2020	52,408
<b>Company</b>	<b>Plant and machinery £</b>
<b>At 31 December 2021</b>	<b>1,214,183</b>
At 31 December 2020	–

#### **15. Investments**

The group has no investments.

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Cost</b>	
<b>At 1 January 2021 and 31 December 2021</b>	<b>100</b>
<b>Impairment</b>	
<b>At 1 January 2021 and 31 December 2021</b>	<b>–</b>

**Carrying amount****At 1 January 2021 and 31 December 2021**

100

At 31 December 2020

100

**Subsidiaries, associates and other investments**

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Cross and Wells Limited	Ordinary	100

**16. Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Raw materials and consumables	257,315	350,220	-	-
	-----	-----	----	----

**17. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Trade debtors	1,700,441	1,310,191	-	-
Prepayments and accrued income	297,437	262,494	-	-
Other debtors	526,617	633,823	-	-
	-----	-----	----	----
	2,524,495	2,206,508	-	-
	-----	-----	----	----

**18. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Bank loans and overdrafts	135,707	136,607	135,707	136,607
Trade creditors	1,862,805	1,827,622	-	-
Amounts owed to group undertakings	-	-	489,105	122,098
Accruals and deferred income	850,844	929,819	605,500	725,575
Corporation tax	140,928	86,981	12,954	6,428
Social security and other taxes	119,687	115,490	79,188	77,246
Obligations under finance leases and hire purchase contracts	216,851	31,505	216,851	3,711
Director loan accounts	213	52	213	52
Other creditors	89,302	84,196	-	-
	-----	-----	-----	-----
	3,416,337	3,212,272	1,539,518	1,071,717
	-----	-----	-----	-----

The bank loan in Incafield Limited is jointly secured by a fixed and floating charge over all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery.

**19. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Bank loans and overdrafts	2,081,771	2,224,183	2,081,771	2,224,183
Obligations under finance leases and hire purchase contracts	792,175	-	792,175	-
	2,873,946	2,224,183	2,873,946	2,224,183

The bank loan in Incafield Limited is jointly secured by a fixed and floating charge over all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery.

**20. Finance leases and hire purchase contracts**

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Not later than 1 year	216,851	31,505	216,851	3,711
Later than 1 year and not later than 5 years	792,175	-	792,175	-
	1,009,026	31,505	1,009,026	3,711

**21. Provisions**

<b>Group</b>	<b>Deferred tax (note 22)</b>
	<b>£</b>
At 1 January 2021	160,893
Additions	34,548
Charge against provision	( 26,709)
<b>At 31 December 2021</b>	<b>168,732</b>
<b>Company</b>	<b>Deferred tax (note 22)</b>
	<b>£</b>
At 1 January 2021	134,184
Additions	34,548
<b>At 31 December 2021</b>	<b>168,732</b>

**22. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Included in provisions (note 21)	168,732	160,893	168,732	134,184

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Accelerated capital allowances	168,732	160,893	168,732	134,184

### 23. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 82,894 (2020: £ 90,424 ).

### 24. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Recognised in other operating income:				
Government grants recognised directly in income	-	21,408	-	21,408
	----	-----	----	-----

### 25. Called up share capital

#### Issued, called up and fully paid

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>	<b>£</b>	No.	£
Ordinary shares of £ 1 each	10,000	10,000	10,000	10,000
	-----	-----	-----	-----

### 26. Reserves

Called up share capital - This reserve records the amount paid for shares at their nominal value. Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. Profit and loss account - This reserve records retained earnings and accumulated losses.

### 27. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	1,545,436	474,419	2,019,855
Debt due within one year	(168,164)	(184,607)	(352,771)
Debt due after one year	(2,224,183)	(649,763)	(2,873,946)
	-----	-----	-----
	( 846,911)	( 359,951)	( 1,206,862)
	-----	-----	-----

### 28. Related party transactions

#### Company

During the year dividends of £468,000 (2020: £423,000) were paid to Mr S Cross. At the year end the company owed a director £213 (2020: £52).

# **Incafield Limited**

## **Notes to the Financial Statements** *(continued)*

### **Year ended 31 December 2021**

#### **29. Controlling party**

The group was under the control of Mr S C Cross during the current and previous year by virtue of his majority shareholding.

