REGISTERED NUMBER: 04552101 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

FOR

THEOS FOOD CO. LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 30 SEPTEMBER 2022

THEOS FOOD CO. LIMITED

COMPANY INFORMATION
For The Year Ended 30 SEPTEMBER 2022

DIRECTOR:	Mr C Gavriel
SECRETARY:	Mrs G Gavriel
REGISTERED OFFICE:	Unit 45 Empire Industrial Park Aldridge Walsall WS9 8UY
REGISTERED NUMBER:	04552101 (England and Wales)
AUDITORS:	AGK Partners Chartered Accountants & Statutory Auditors 1 Kings Avenue London N21 3NA

STRATEGIC REPORT
For The Year Ended 30 SEPTEMBER 2022

The director presents his strategic report for the year ended 30 September 2022.

REVIEW OF BUSINESS
Theos Food Co is first and foremost a family run business with a real passion for food and are committed to delivering the highest standard of customer care and service. The company's headquarters in Aldridge in the West Midlands is equipped with purpose built state of art production facility over 20,000 sq ft, fully licenced by the EU for cutting and meat preparation.

Theos Food Co differentiates itself from other suppliers in the market in its approach of sourcing all of its Grade 'A' quality chicken from UK suppliers. By forging strong relationships with its suppliers and supporting our local economy, we aim to establish Theos Food Co with a strong brand imagery that gives our customers a consistent quality product that meets the governments' nutritional guidelines which is fully compliant with the current legislation.

The director is pleased to report another successful year despite challenges. The turnover for FY 2022 was £20,531,962 (2021: £15,948,307).The turnover increased in comparison to previous period by approximately 28.74%, on a like for like basis.

The gross margin increased from 15.94% to 15.99% . The consistency in gross margin is mainly attributed to sourcing of products more effectively and efficiently.

The company continues to innovate to improve its already strong customer service and has invested in additional resources to maintain high standards expected in the ongoing growth of the business.

PRINCIPAL RISKS AND UNCERTAINTIES
The more significant risks and uncertainties faced by the company are consistent with the rest of the food production sector:

Purchase price of products
With the unsettled economic conditions surrounding Brexit, COVID 19, Cost of living crisis and disruptions within the supply chain, we expect market volatility to be an ongoing risk for the food sector. We continue to monitor the prices of fresh raw chicken products and work closely with our suppliers to reduce the impact of the volatile market movements. We are also negotiating better terms from our suppliers.

Food safety
Food Safety is the number one priority for our business. The company remains committed to ensuring it meets the nutritional standards set by the UK government. This risk is mitigated by sourcing products from established and reputable suppliers from within the UK. External consultants are also engaged to review the internal quality control procedures in place for cutting and meat preparation and implementing recommendations proposed.

Credit risk
It is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company aims to mitigate this risk by performing credit checks on all new customers, monitoring the financial health for its customers and reviewing credit limits for all its customers on a regular basis. The company has a dedicated credit control team who actively pursue customers in default for settlement.

Health and safety management
The company is committed to providing a safe place of work for all employees and to continuously improve its safety management systems. The system is maintained by external consultants, who review the working practices on regular basis and if necessary, make amendments in the procedures manual. It is mandatory requirement for all employees to read and acquaint themselves with the company's' health and safety manual.

STRATEGIC REPORT
For The Year Ended 30 SEPTEMBER 2022

KEY PERFORMANCE INDICATORS

The director considers the following as the key performance indicators:-

Description	2022	2021
Revenue	20,531,962	15,948,307
Gross profit	3,283,160	2,542,848
Operating (loss)/profit	440,617	405,266
(Loss)/profit before tax	341,830	305,745
Net assets	2,890,149	2,600,716
Gross margin	15.99%	15.94%
Current ratio	1.92	1.70

FINANCIAL POSITION

The company is in good health and remains strongly cash generative and has a good support from its bankers allowing the expansion of the business from its own resources. The results for the year and the financial position at the year end were considered satisfactory by the director who expects controlled growth and profitability to continue in the foreseeable future.

The director is confident that the company will be able to strengthen its financial position by building on its existing systems and structure and grow the business with both existing and new clients in the future.

ON BEHALF OF THE BOARD:

Mr C Gavriel - Director

29 September 2023

REPORT OF THE DIRECTOR
For The Year Ended 30 SEPTEMBER 2022

The director presents his report with the financial statements of the company for the year ended 30 September 2022.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of processing and marinating of chicken and wholesale and distribution of chicken kebabs and other already processed food products.

DIVIDENDS
An interim dividend of £858 per share was paid. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2022 will be £85,800.

DIRECTOR
Mr C Gavriel held office during the whole of the period from 1 October 2021 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

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

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

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

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

AUDITORS
The auditors, AGK Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr C Gavriel - Director

29 September 2023

Opinion
We have audited the financial statements of Theos Food Co. Limited (the 'company') for the year ended 30 September 2022 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

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

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

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

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

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

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

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

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

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

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

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

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- obtaining an understanding of the policies and procedures including internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations in order to design audit procedures that are appropriate in the circumstances (but not not for the purpose of expressing an opinion on the effectiveness of the company's internal control).

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

- identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion

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

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates in relation to income recognition, collectability of debtors, impairment of tangible and intangible assets and valuation of stock were indicative of potential bias; and

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

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

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

-evaluating 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 (i.e. gives a true and fair view);

- reading the minutes of meetings of those charged with governance;

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

- reviewing correspondence with HMRC and the company's legal advisors; and

- Concluding 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 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 company to cease to continue as a going concern.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve collusion, forgery, deliberate concealment and omissions, misrepresentations, or the override of internal control.

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

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

Alekos Christofi FCCA (Senior Statutory Auditor)
for and on behalf of AGK Partners
Chartered Accountants & Statutory Auditors
1 Kings Avenue
London
N21 3NA

29 September 2023

STATEMENT OF INCOME AND RETAINED EARNINGS
For The Year Ended 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
REVENUE		20,531,962	15,948,307
Cost of sales		17,248,802	13,405,459
GROSS PROFIT		3,283,160	2,542,848
Administrative expenses		2,842,543	2,406,863
		440,617	135,985
Other operating income		-	269,281
OPERATING PROFIT	4	440,617	405,266
Gain on sale of tangibles	5	27,243	-
		467,860	405,266
Interest payable and similar expenses	6	126,030	99,521
PROFIT BEFORE TAXATION		341,830	305,745
Tax on profit	7	(33,403)	144,550
PROFIT FOR THE FINANCIAL YEAR		375,233	161,195
Retained earnings at beginning of year		2,600,616	2,522,891
Dividends	8	(85,800)	(83,470)
RETAINED EARNINGS AT END OF YEAR		2,890,049	2,600,616

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Intangible assets	9		11,602		15,469
Property, plant and equipment	10		1,729,778		3,013,057
			1,741,380		3,028,526
CURRENT ASSETS					
Inventories	11	1,841,436		1,702,092	
Debtors	12	2,225,928		1,986,610	
Cash at bank and in hand		379,505		4,031	
		4,446,869		3,692,733	
CREDITORS					
Amounts falling due within one year	13	2,311,876		2,166,102	
NET CURRENT ASSETS			2,134,993		1,526,631
TOTAL ASSETS LESS CURRENT LIABILITIES			3,876,373		4,555,157
CREDITORS					
Amounts falling due after more than one year	14		(862,256)		(1,848,051)
PROVISIONS FOR LIABILITIES	18		(123,968)		(106,390)
NET ASSETS			2,890,149		2,600,716
CAPITAL AND RESERVES					
Called up share capital	19		100		100
Retained earnings	20		2,890,049		2,600,616
SHAREHOLDERS' FUNDS			2,890,149		2,600,716

The financial statements were approved by the director and authorised for issue on 29 September 2023 and were signed by:

Mr C Gavriel - Director

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
For The Year Ended 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(27,183)	591,628
Interest paid		(82,834)	(66,004)
Interest element of hire purchase payments paid		(43,196)	(33,517)
Tax paid		129,392	(28)
Net cash from operating activities		(23,821)	492,079
Cash flows from investing activities			
Purchase of tangible fixed assets		(526,426)	(170,249)
Sale of tangible fixed assets		1,392,259	-
Net cash from investing activities		865,833	(170,249)
Cash flows from financing activities			
Net movement in bank loan & HP contract		(185,758)	(283,974)
Equity dividends paid		(85,800)	(83,470)
Net cash from financing activities		(271,558)	(367,444)
Increase/(decrease) in cash and cash equivalents		570,454	(45,614)
Cash and cash equivalents at beginning of year	2	(190,949)	(145,335)
Cash and cash equivalents at end of year	2	379,505	(190,949)

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
For The Year Ended 30 SEPTEMBER 2022

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

	2022	2021
	£	£
Profit before taxation	341,830	305,745
Depreciation charges	421,315	430,210
Government grants	-	(269,281)
Finance costs	126,030	99,521
	889,175	566,195
Increase in inventories	(139,344)	(9,185)
Increase in trade and other debtors	(1,094,258)	(249,765)
Increase in trade and other creditors	317,244	284,383
Cash generated from operations	(27,183)	591,628

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 September 2022

	30.9.22	1.10.21
	£	£
Cash and cash equivalents	379,505	4,031
Bank overdrafts	-	(194,980)
	379,505	(190,949)

Year ended 30 September 2021

	30.9.21	1.10.20
	£	£
Cash and cash equivalents	4,031	11,469
Bank overdrafts	(194,980)	(156,804)
	(190,949)	(145,335)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.21	Cash flow	At 30.9.22
	£	£	£
Net cash			
Cash at bank and in hand	4,031	375,474	379,505
Bank overdrafts	(194,980)	194,980	-
	(190,949)	570,454	379,505
Debt			
Finance leases	(669,137)	185,758	(483,379)
Debts falling due within 1 year	(131,147)	11,147	(120,000)
Debts falling due after 1 year	(1,453,792)	843,792	(610,000)
	(2,254,076)	1,040,697	(1,213,379)
Total	(2,445,025)	1,611,151	(833,874)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 SEPTEMBER 2022

1. **STATUTORY INFORMATION**

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

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

2. **ACCOUNTING POLICIES**

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

Significant judgements and estimates
In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

Significant judgements and estimates include:-

Valuation of debtors
Valuation of debtors is based upon ongoing assessments of the probable estimated losses inherent in the trade and other debtors portfolio. Assessments are conducted by the board employing a methodology and guidelines, which are continually monitored and improved. The primary component of this methodology comprises specific allowances and collective allowances.

A debtor is subject to impairment test when valid indications exist, at the assessment date, which demonstrate that the customer will not be able to meet his obligations and/or when the flow of receipts decelerates over time. Usually such indications include failure of communication with the customers and indications of significant financial difficulty.

Amounts individually provided for concern claims evaluated individually for impairment based upon management's best estimate of the present value of the cash flows which are expected to be received.

In assessing the need for collective allowance, management considers debtors in arrears over 121 days but excludes those for which there are valid indications that they will be collected.

The accuracy of provisions depends on the accuracy of future cash flows for specific allowances and the model assumptions and parameters used in determining collective allowances. While this necessarily involves judgement, management believes that their provisions are reasonable and supportable.

Assets impairment
The company reviews on an annual basis the carrying amounts of investments, tangible assets and intangible assets, in order to determine if there is an indication of impairment. If any such indication exists an impairment review is carried out in order to determine the extent of the impairment loss.

Useful lives of depreciable tangible and intangible assets
The management assesses the estimated useful lives and related depreciation & amortisation charges for purchased and internally generated intangible assets and tangible assets and reviews the assessment at regular intervals. Management estimates are based on the projected operating life cycle of these assets. Such estimates are not expected to change significantly, however, management may modify depreciation and amortisation rates wherever useful lives turn out to be different than previously estimated and writes down or writes off assets.

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2. **ACCOUNTING POLICIES - continued**

Revenue
Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Patents and licences is being written off in equal annual instalments over its estimated economic life of 10 years.

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

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the assets capable of operating as intended.

The carrying value of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Freehold land and buildings - 2% on cost
Leasehold land and buildings - Over the life of the lease
Plant and machinery - 20% on reducing balance
Fixtures and fittings - 20% on reducing balance
Motor vehicle - 20% on reducing balance

Inventories
Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of inventory sold is recognised as an expense in the period in which the related revenue is recognised.

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 statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the statement of financial position date.

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

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

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

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2. **ACCOUNTING POLICIES - continued**

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.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand, short term deposits with an original maturity date of one month. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Financial instruments
Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss.

Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit and loss.

3. **EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	547,925	542,768
Social security costs	42,998	46,627
Other pension costs	11,770	10,830
	602,693	600,225

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

	2022	2021
Directors	1	1
Administrative and sales	18	17
	19	18

	2022	2021
	£	£
Director's remuneration	7,280	10,920

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Other operating leases	198,201	175,415
Depreciation - owned assets	417,446	426,342
Patents and licences amortisation	3,867	3,867

5. **EXCEPTIONAL ITEMS**

	2022	2021
	£	£
Gain on sale of tangibles	27,243	-

continued...

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Interest payable	82,834	66,004
HP interest payable	43,196	33,517
	126,030	99,521

7. TAXATION

Analysis of the tax (credit)/charge
The tax (credit)/charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	73,431	97,613
R&D Tax credit	(124,411)	-
Total current tax	(50,980)	97,613
Deferred tax	17,577	46,937
Tax on profit	(33,403)	144,550

Reconciliation of total tax (credit)/charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	341,830	305,745
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	64,948	58,092
Effects of:		
Expenses not deductible for tax purposes	877	4,396
Depreciation in excess of capital allowances	5,970	35,126
Adjustments to tax charge in respect of previous periods	1,636	-
Research and development tax credit	(124,411)	-
Deferred tax	17,577	46,936
Total tax (credit)/charge	(33,403)	144,550

8. DIVIDENDS

	2022	2021
	£	£
Ordinary shares shares of 1 each		
Interim	85,800	83,470

continued...

9. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 October 2021 and 30 September 2022	19,336
AMORTISATION	
At 1 October 2021	3,867
Amortisation for year	3,867
At 30 September 2022	7,734
NET BOOK VALUE	
At 30 September 2022	11,602
At 30 September 2021	15,469

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 October 2021	1,244,048	291,954	2,557,903
Additions	-	-	382,388
Disposals	(1,244,048)	(234,329)	-
At 30 September 2022	-	57,625	2,940,291
DEPRECIATION			
At 1 October 2021	52,514	62,841	1,749,536
Charge for year	-	3,844	227,990
Eliminated on disposal	(52,514)	(33,604)	-
At 30 September 2022	-	33,081	1,977,526
NET BOOK VALUE			
At 30 September 2022	-	24,544	962,765
At 30 September 2021	1,191,534	229,113	808,367

continued...

10. PROPERTY, PLANT AND EQUIPMENT - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 October 2021	767,300	1,185,331	6,046,536
Additions	70,482	73,556	526,426
Disposals	-	-	(1,478,377)
At 30 September 2022	837,782	1,258,887	5,094,585
DEPRECIATION			
At 1 October 2021	461,986	706,602	3,033,479
Charge for year	75,158	110,454	417,446
Eliminated on disposal	-	-	(86,118)
At 30 September 2022	537,144	817,056	3,364,807
NET BOOK VALUE			
At 30 September 2022	300,638	441,831	1,729,778
At 30 September 2021	305,314	478,729	3,013,057

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases and/or hire purchase contracts.

Description **£** **£**	**2021**	**2020**
Plant and machinery	25,903	32,379
Fixtures and fittings	10,244	12,805
Motor vehicles	452,707	565,884
	488,854	611,068

11. INVENTORIES

	2022 £	2021 £
Stocks	1,841,436	1,702,092

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,744,290	1,433,994
Other debtors	326,797	399,814
VAT	36,886	33,365
Prepayments	117,955	119,437
	2,225,928	1,986,610

continued...

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	120,000	326,127
Hire purchase contracts (see note 16)	231,123	274,878
Trade creditors	1,568,963	1,305,784
Tax	176,025	97,613
Social security and other taxes	15,444	22,428
Other creditors	63,612	59,379
Accrued expenses	136,709	79,893
	2,311,876	2,166,102

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

	2022	2021
	£	£
Bank loans (see note 15)	610,000	1,453,792
Hire purchase contracts (see note 16)	252,256	394,259
	862,256	1,848,051

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	194,980
Bank loans	120,000	131,147
	120,000	326,127
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	413,792
Amounts falling due between two and five years:		
Bank loans - 2-5 years	480,000	741,627
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	130,000	298,373

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	231,123	274,878
Between one and five years	252,256	394,259
	483,379	669,137

continued...

16. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	157,614	189,353
Between one and five years	630,458	641,967
In more than five years	1,684,341	1,790,100
	2,472,413	2,621,420

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans and overdraft	-	1,779,919
Hire purchase contracts	483,378	669,137
	483,378	2,449,056

Bank loans and overdrafts are secured by way of fixed and floating charge on the property and other assets of the company.

Hire purchase contracts are secured over assets acquired under such contracts.

18. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	123,968	106,390

	Deferred tax
	£
Balance at 1 October 2021	106,390
Provided during year	17,578
Balance at 30 September 2022	123,968

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
100	Ordinary shares	1	100	100

continued...

20. RESERVES

	Retained earnings £
At 1 October 2021	2,600,616
Profit for the year	375,233
Dividends	(85,800)
At 30 September 2022	2,890,049

21. RELATED PARTY DISCLOSURES

Included within debtors is an amount of £829,256 (2021: £831,123) due from a connected company with common control. Included within sales is an amount of £11,158,426 (2021: £8,040,915) of sales made to the Company.

All related party transactions are carried out at an arms length.

22. ULTIMATE CONTROLLING PARTY

The company is controlled by the Gavriel family.