REGISTERED NUMBER: 07006709 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

AEGG LTD



AEGG LTD (REGISTERED NUMBER: 07006709)

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FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTOR:	A N B Coats
REGISTERED OFFICE:	Oaksmere Business Park Eye Airfield Industrial Estate Yaxley Eye Suffolk IP23 8BW
REGISTERED NUMBER:	07006709 (England and Wales)
SENIOR STATUTORY AUDITOR:	Nicholas Jones FCCA
AUDITORS:	Fawcetts LLP Chartered Accountants and Statutory Auditors Windover House St. Ann Street Salisbury SP1 2DR

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

REVIEW OF BUSINESS

The financial results of Aegg (the "Company") show revenue growth of 39.7% compared to the twelve months ended 31 December 2021.

The Company outsources the manufacturing of its products to accredited producers. The year-on-year increases to energy and shipping costs contributed to a decrease in % gross margin, from 18.3% in 2021 to 15.3% in 2022. Notwithstanding this, both gross profit and operating profit increased significantly. The Company has mitigation processes in place to protect against the impact of exchange rates and cost of inflation.

The Company has continued to invest in its operating site in Suffolk so at to provide enhanced distribution infrastructure for future growth.

PRINCIPAL RISKS AND UNCERTAINTIES

Operation in the packaging industry presents a number of risks. Those that are regularly reviewed and mitigated by the Senior Management Team are:

Costs of manufacture including energy

The Company has employees and advisors dedicated to supply chain who work closely with the Company's manufacturing partners.

Availability of sea freight

A significant amount of time is invested in relationship management with shipping lines and in securing fixed ocean freight rates.

Infrastructure to minimise disruption and transport inflation

The Company owns and operates its own fleet of tractor units, skeletal and curtain-sided trailers, employing its own drivers.

Currency risk

Rolling working capital forecasts are regularly prepared allowing appropriate foreign currency forward contracts to be placed.

KEY PERFORMANCE INDICATORS (KPI'S)

The Company measures certain KPI's weekly and periodically; quality, customer service levels, category growth, sales pipeline, working capital (stock, days of sales and purchases outstanding), profitability and cash available for short and long requirements.

ON BEHALF OF THE BOARD:

A M B Coats - Director

Date: 4 September, 2023

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2022

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

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the manufacture and trade of food and drink packaging.

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

DIRECTOR
A N B Coats held office during the whole of the period from 1 January 2022 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, Fawcetts LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
A N B Coats - Director

Date: 4 September 2023

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

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

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

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

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

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

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

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

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

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

Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations we consider the following:

- the nature of the industry/sector, control environment and financial performance;
  results of our enquiries of management about their own identification and assessment of the risk of
- irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue and profit recognition. 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 have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

Audit response to risk identified
As a result of performing the above, we identified revenue and profit recognition, stock valuation, estimation techniques and management override of controls as key matters related to the potential risk of fraud or material misstatement. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- performing substantive procedures to ascertain the completeness, existence, valuation and, rights and obligations of stocks as at the year-end;
- understanding the entity's revenue recognition policies and how they are applied, including the relevant controls and processes and performing a walk-through to validate our understanding;
- performing analytical procedures to compare revenue recognised against expectations, past results, and management forecasts, and investigated material divergences by obtaining corroborative evidence;
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Nicholas Jones FCCA (Senior Statutory Auditor)
for and on behalf of Fawcetts LLP
Chartered Accountants
and Statutory Auditors
Windover House
St. Ann Street
Salisbury
SP1 2DR

Date: 4 September 2023

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
TURNOVER		20,725,701	14,838,424
Cost of sales		17,549,965	12,126,979
GROSS PROFIT		3,175,736	2,711,445
Administrative expenses		2,567,685	2,221,071
		608,051	490,374
Other operating income		21,365	20,895
OPERATING PROFIT	4	629,416	511,269
Exceptional items	5	-	370,000
		629,416	141,269
Interest receivable and similar income		79,843	-
		709,259	141,269
Interest payable and similar expenses	6	102,208	74,842
PROFIT BEFORE TAXATION		607,051	66,427
Tax on profit	7	(51,386)	(15,352)
PROFIT FOR THE FINANCIAL YEAR		658,437	81,779
Retained earnings at beginning of year		1,302,381	1,220,602
RETAINED EARNINGS AT END OF YEAR		1,960,818	1,302,381

EBITDA	**1,015,067**	**514,816**
EBITDA AS A % OF TURNOVER	**4.9%**	**3.5%**

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Intangible assets	8		3,797		3,797
Tangible assets	9		4,058,252		4,079,492
			4,062,049		4,083,289
CURRENT ASSETS					
Stocks	10	2,278,765		1,843,571	
Debtors	11	7,397,528		6,072,969	
Cash at bank and in hand		1,551,787		197,582	
		11,228,080		8,114,122	
CREDITORS					
Amounts falling due within one year	12	9,705,945		7,245,079	
NET CURRENT ASSETS			1,522,135		869,043
TOTAL ASSETS LESS CURRENT LIABILITIES			5,584,184		4,952,332
CREDITORS					
Amounts falling due after more than one year	13		(3,319,629)		(3,279,658)
PROVISIONS FOR LIABILITIES	16		(303,736)		(370,292)
NET ASSETS			1,960,819		1,302,382
CAPITAL AND RESERVES					
Called up share capital	17		1		1
Retained earnings	18		1,960,818		1,302,381
SHAREHOLDERS' FUNDS			1,960,819		1,302,382

The financial statements were approved by the director and authorised for issue on 4 September 2023 and were signed by:

.....
A B Coats - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	3,859,588	(583,624)
Interest paid		(102,208)	(74,842)
Tax paid		197,285	-
Net cash from operating activities		3,954,665	(658,466)
Cash flows from investing activities			
Purchase of tangible fixed assets		(373,153)	(725,809)
Sale of tangible fixed assets		9,001	31,250
Interest received		79,843	-
Net cash from investing activities		(284,309)	(694,559)
Cash flows from financing activities			
Loan repayments in year		(300,000)	(172,726)
Capital repayments in year		2,189	(89,562)
Amount introduced by directors		363,180	-
Amount withdrawn by directors		(104,930)	(94,874)
Net cash from financing activities		(39,561)	(357,162)
Increase/(decrease) in cash and cash equivalents		3,630,795	(1,710,187)
Cash and cash equivalents at beginning of year	2	(2,079,008)	(368,821)
Cash and cash equivalents at end of year	2	1,551,787	(2,079,008)

The notes form part of these financial statements

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

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

	2022	2021
	£	£
Profit before taxation	607,051	66,427
Depreciation charges	385,651	392,807
Profit on disposal of fixed assets	(259)	(19,260)
Finance costs	102,208	74,842
Finance income	(79,843)	-
	1,014,808	514,816
Increase in stocks	(435,194)	(1,190,705)
Increase in trade and other debtors	(1,324,559)	(1,131,920)
Increase in trade and other creditors	4,604,533	1,224,185
Cash generated from operations	3,859,588	(583,624)

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	1,551,787	197,582
Bank overdrafts	-	(2,276,590)
	1,551,787	(2,079,008)

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	197,582	518,488
Bank overdrafts	(2,276,590)	(887,309)
	(2,079,008)	(368,821)

The notes form part of these financial statements

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	197,582	1,354,205	1,551,787
Bank overdrafts	(2,276,590)	2,276,590	-
	(2,079,008)	3,630,795	1,551,787
Debt			
Finance leases	(504,101)	(2,189)	(506,290)
Debts falling due within 1 year	(302,273)	2,273	(300,000)
Debts falling due after 1 year	(1,025,000)	297,727	(727,273)
	(1,831,374)	297,811	(1,533,563)
Total	(3,910,382)	3,928,606	18,224

The notes form part of these financial statements

1. STATUTORY INFORMATION

Aegg Ltd 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.

The financial statements have been prepared on a going concern basis and are presented in Sterling (£) which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

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

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of six years.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

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.

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

Plant and machinery	- 50% on cost and 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the profit and loss account. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

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

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2. **ACCOUNTING POLICIES - continued**

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Debtors

Debtors are measured at their recoverable amount.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,025,945	1,030,835
Other pension costs	20,947	24,273
	1,046,892	1,055,108

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

	2022	2021
Directors	1	1
Staff	31	32
	32	33

	2022	2021
	£	£
Director's remuneration	1,706	2,988

4. OPERATING PROFIT

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

	2022	2021
	£	£
Other operating leases	832	1,679
Depreciation - owned assets	256,581	276,157
Depreciation - assets on hire purchase contracts	129,070	116,649
Profit on disposal of fixed assets	(259)	(19,260)

5. EXCEPTIONAL ITEMS

During 2021 the director considered that there was a total of £370,000 of exceptional costs. These relate to issues experienced by the company across the entire supply chain. The company has put in procedures and processes to mitigate the risks associated with such costs and therefore such costs are not expected to reoccur in the future.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	39,466	34,517
Bank loan interest	44,543	23,991
Hire purchase interest	18,199	16,334
	102,208	74,842

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7. TAXATION

Analysis of the tax credit
The tax credit on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	15,170	-
Deferred tax	(66,556)	(15,352)
Tax on profit	(51,386)	(15,352)

8. INTANGIBLE FIXED ASSETS

	Goodwill	Patents and licences	Totals
	£	£	£
COST			
At 1 January 2022 and 31 December 2022	1,800,000	3,797	1,803,797
AMORTISATION			
At 1 January 2022 and 31 December 2022	1,800,000	-	1,800,000
NET BOOK VALUE			
At 31 December 2022	-	3,797	3,797
At 31 December 2021	-	3,797	3,797

continued...

9. **TANGIBLE FIXED ASSETS**

	Improvements to property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST					
At 1 January 2022	2,051,825	3,615,983	81,268	850,346	6,599,422
Additions	230,015	(9,704)	2,567	150,275	373,153
Disposals	-	(15,485)	-	-	(15,485)
At 31 December 2022	2,281,840	3,590,794	83,835	1,000,621	6,957,090
DEPRECIATION					
At 1 January 2022	-	2,043,801	64,519	411,610	2,519,930
Charge for year	-	194,016	8,833	182,802	385,651
Eliminated on disposal	-	(6,743)	-	-	(6,743)
At 31 December 2022	-	2,231,074	73,352	594,412	2,898,838
NET BOOK VALUE					
At 31 December 2022	2,281,840	1,359,720	10,483	406,209	4,058,252
At 31 December 2021	2,051,825	1,572,182	16,749	438,736	4,079,492

The net book value of tangible fixed assets includes £368,616 (2021: £382,772) in respect of assets under hire purchase contracts.

10. **STOCKS**

	2022	2021
	£	£
Stocks	2,278,765	1,843,571

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade debtors	3,896,669	3,401,200
Other debtors	1,325,233	1,915,411
Corporation tax recoverable	8,304	8,304
Prepayments	2,167,322	748,054
	7,397,528	6,072,969

continued...

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 14)	300,000	2,578,863
Hire purchase contracts (see note 15)	155,075	165,036
Trade creditors	2,775,685	2,769,905
Corporation tax	15,170	-
Plastic tax	197,285	-
Social security and other taxes	38,270	37,515
VAT	1,141,586	687,396
Other creditors	4,585,047	442,209
Accrued expenses	497,827	564,155
	9,705,945	7,245,079

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

	2022	2021
	£	£
Bank loans (see note 14)	727,273	1,025,000
Hire purchase contracts (see note 15)	351,215	339,065
Other creditors	1,158,033	1,090,735
Directors' loan accounts	1,083,108	824,858
	3,319,629	3,279,658

14. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	2,276,590
Bank loan	300,000	302,273
	300,000	2,578,863
Amounts falling due between one and two years:		
Bank loans - 1-2 years	300,001	300,000
Amounts falling due between two and five years:		
Bank loans - 2-5 years	427,272	725,000

continued...

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2022	2021
	£	£
Net obligations repayable:		
Within one year	155,075	165,036
Between one and five years	351,215	339,065
	506,290	504,101

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	303,736	370,292

	Deferred tax
	£
Balance at 1 January 2022	370,292
Utilised during year	(66,556)
Balance at 31 December 2022	303,736

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

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

18. RESERVES

	Retained earnings
	£
At 1 January 2022	1,302,381
Profit for the year	658,437
At 31 December 2022	1,960,818

continued...

19. RELATED PARTY DISCLOSURES

Creditors due after more than one year include £1,083,108 (2021: £834,859) which is owed to a director of the company.

A Coats is the sole director of the company and is also a director and/or major shareholder of the following companies that have transacted with the company during 2022:

	Debtor	Creditor	Rent paid
	£	£	£
Royce Investments Limited (UK Reg No. 11475373)	181,759	-	55,000
Oaksmere Investments Limited (UK Reg No. 11295188)	1,052,644	-	110,000
Westfield One Limited (UK Reg No. 12776364)	79,843	-	-
Coats Industries OOD (Registered in Bulgaria)	-	1,014,471	-

Coats Industries OOD are a supplier of finished goods and the total trade during 2022 amounted to £1,216,628.